

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
PIKEVILLE DIVISION

IN RE:

CASE NO. 15-70469

ASTHMA AND ALLERGY CENTER, LLC

CHAPTER 11

DEBTOR

**CHAPTER 11 TRUSTEE'S FIRST AMENDED SMALL BUSINESS
CHAPTER 11 PLAN WITH DISCLOSURES**

Respectfully submitted,

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DATED: June 26, 2018

**FIRST AMENDED SMALL BUSINESS CHAPTER 11 PLAN WITH DISCLOSURES
OF
ASTHMA AND ALLERGY CENTER, LLC**

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
PIKEVILLE DIVISION

IN RE:

CASE NO. 15-70469

ASTHMA AND ALLERGY CENTER, LLC

CHAPTER 11

DEBTOR IN POSSESSION

**CHAPTER 11 TRUSTEE'S FIRST AMENDED SMALL BUSINESS
CHAPTER 11 PLAN WITH DISCLOSURES**

Adam M. Back, solely in his capacity as Chapter 11 Trustee (the "Chapter 11 Trustee") for debtor Asthma and Allergy Center, LLC (the "Debtor" or "AAC"), a small business debtor, hereby adopts the following Disclosures previously prepared by the Debtor and provides same pursuant to 11 U.S.C. § 1125(f)(1) and proposes the following First Amended Small Business Chapter 11 Plan (the "Plan") to the Debtor's Creditors pursuant to the provisions of 11 U.S.C. § 1121(a):

**ARTICLE I.
DISCLOSURES**

1.1. Introduction.

The Chapter 11 Trustee provides general information herein to all known Creditors in order to disclose that information deemed by the Chapter 11 Trustee to be material, important and necessary to the Creditors to arrive at a reasonably informed decision in exercising rights to vote on the Chapter 11 Trustee's First Amended Small Business Chapter 11 Plan.

You should read this entire document before voting on the Plan. As a Creditor your vote is important. The Plan will be confirmed by the Bankruptcy Court if it is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Creditors' Claims in each class voting on the Plan. However, the provisions of 11 U.S.C. § 1129(b) may be invoked in order to obtain Confirmation of the Plan. These provisions permit Confirmation even though a class or classes reject the Plan if the Bankruptcy Court finds that the Plan provides fair and equitable treatment for the rejecting class.

The Disclosures contained herein are provided to enable holders of Claims to make an informed judgment whether to accept or reject the Plan. Whether or not you expect to be present at the Confirmation Hearing, you are urged to fill in, date, sign, and promptly return the ballot. Holders of Claims in a class that is Impaired may vote to accept or reject the Plan by completing and delivering or transmitting their ballots to the Attorneys for the Chapter 11 Trustee, Stoll Keenon Ogden PLLC, 300 West Vine Street, Suite 2100, Lexington, Kentucky 40507, Telephone (859) 231-3000, fax (859) 246-3622, Attention: Jessica L. Middendorf, [email:](#)

jessica.middendorf@skofirm.com. Ballots must be received on or before the deadline of 5:00 p.m. (ET) on July 31, 2018.

The Disclosures herein were originally prepared by the Debtor using financial information and other information available through its books and records. The valuations placed upon Assets are based upon the Debtor's best estimate of values. Since the appointment of the Chapter 11 Trustee, the Chapter 11 Trustee has come to believe that the Debtor's books and records are largely unreliable. The Chapter 11 Trustee makes no representations or warranties of any kind regarding the reliability of the Debtor's books and records, the Debtor's historical numbers and/or those projections/estimates regarding numbers or other figures going forward. The terms of the Plan and the Disclosures contained herein represent the Chapter 11 Trustee's best efforts to prepare meaningful figures and estimates for purposes of this Plan, and such figures were reviewed by the Chapter 11 Trustee's outside certified public accountant based on the information the Debtor provided to the Chapter 11 Trustee. NO INFORMATION CONTAINED IN THESE DISCLOSURES HAS BEEN PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT TO THE KNOWLEDGE OF THE CHAPTER 11 TRUSTEE. THE CHAPTER 11 TRUSTEE MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND REGARDING THE RELIABILITY OF THE NUMBERS AND/OR INFORMATION CONTAINED IN THIS PLAN THAT WAS PROVIDED TO THE CHAPTER 11 TRUSTEE BY THE DEBTOR.

THE CHAPTER 11 TRUSTEE IS REPRESENTED BY THE LAW FIRM OF STOLL KEENON OGDEN PLLC, 300 WEST VINE STREET, SUITE 2100, LEXINGTON, KENTUCKY 40507, WHICH HAS NOT EXPRESSED AN OPINION ON ANY INFORMATION SET FORTH HEREIN. STOLL KEENON OGDEN PLLC ("SKO") HAS NO ACTUAL KNOWLEDGE OF ANY INFORMATION WHICH WOULD CONFLICT WITH THE INFORMATION SET FORTH HEREIN.

1.2. Principal Factors Leading To The Chapter 11 Bankruptcy Filing. The Chapter 11 Trustee expressly adopts the following principal factors leading to the Chapter 11 filing as originally prepared by the Debtor for its Plan: AAC is an outpatient clinic for adults and children with its headquarters located in Pikeville, Pike County, Kentucky, and satellite offices in Hazard, Stanton, Salyersville and Whitesburg, Kentucky. AAC serves approximately 7,500 patients annually (among all locations). Dr. So and Mr. So established this entity in 1981. AAC renders services on an outpatient basis for the following: diagnostic testing and treatment of allergies to inhalants, biologicals, venoms, fire ant stings, etc.; diagnosis, treatment and control of asthma, bronchitis, COPD, and other upper respiratory ailments; diagnosis and treatment of various immune-deficiency-related diseases; diagnosis and treatment of skin conditions related to the immune system, such as urticaria, angioedema, and eczema. AAC also provides management services to the other Affiliated Debtors.

The Debtor experienced cash flow issues that impaired its ability to timely pay its debt obligations including taxes under a previously confirmed bankruptcy plan. Consequently, the Debtor seeks to restructure its debt and reorganize its business operations under Chapter 11 of the Bankruptcy Code to protect its Assets and continued operations.

In addition, the Kentucky Department of Revenue (the “Revenue Cabinet”) and the Internal Revenue Service (“IRS”) are owed significant amounts by this Debtor. Based on updated information provided by the Revenue Cabinet to the Debtor, as of May 22, 2018, the Revenue Cabinet is owed \$283,027.60 by this Debtor, with \$164,507.71 of its claim entitled to priority under 11 U.S.C. § 507(a)(8). In addition, the Revenue Cabinet also has a secured claim in the amount of \$58,185.00. Based on updated information provided by the IRS to the Debtor, as of May 17, 2018, the IRS is owed \$1,048,891.69 by this Debtor, with \$618,649.29 of its claim entitled to priority under 11 U.S.C. § 507(a)(8). [See Claim No. 1-4.] In addition, the secured portion of the IRS claim is \$207,231.80. [See Claim No. 1-4.]

1.3. Summary of Assets and Liabilities. The following is a summary of the Debtor’s primary Assets and liabilities according to the Debtor’s books and records and its bankruptcy Schedules. THIS SUMMARY DOES NOT TAKE INTO CONSIDERATION ALL OF THE PROOFS OF CLAIM FILED HEREIN NOR CLAIMS FOR LEASE OR CONTRACT REJECTION DAMAGES. THE ASSET VALUES CONTAINED HEREIN AND/OR IN THE DEBTOR’S SCHEDULES ARE BASED ON THE DEBTOR’S BEST ESTIMATES OF MARKET VALUES, AND MAY NOT AND IN ALL LIKELIHOOD DO NOT ACCURATELY REFLECT LIQUIDATION VALUES OR WHAT MAY ULTIMATELY BE ACHIEVED FOR THESE ASSETS.

SUMMARY OF PRIMARY ASSETS

Prepetition Assets

The Debtor’s Assets as of the Petition Date totaled \$372,231.80 including the following: (a) checking accounts valued at \$12,231.80; (b) accounts receivables valued at \$360,000.00 (\$160,000.00 estimated as not collectible); and (c) website at an unknown value. For more details, see the Debtor’s Schedules [Doc. 58].

SUMMARY OF LIABILITIES

Prepetition Liabilities

The Debtor’s estimated liabilities as of the Petition Date totaled \$1,730,334.87 which includes (a) Secured Claims totaling \$878,388.65; (b) Priority Claims totaling \$439,450.45; and (c) Unsecured Claims totaling \$412,495.77.

The Debtor filed a monthly operating report with the Court for the time period from July 21, 2015 through August 31, 2015 [Doc. 61], which can be reviewed as to the Debtor’s income (\$131,841.35) and expenses (\$134,505.28) for that period following the Petition Date. The Debtor also filed monthly operating reports for the months of September 2015 and October 2015 [Doc. 76; Doc. 87], which can also be reviewed as to the Debtor’s income (\$182,290.61) and expenses (\$145,075.84) during that time. After thorough review of the Debtor’s financial information, the Chapter 11 Trustee filed monthly operating reports for the time period of November 2015 [Doc. 91], through April 2018 [Doc. 124], which can be reviewed for an updated status as to the Debtor’s income (\$2,874,197.29) and expenses (\$2,511,721.00) during that time period.

1.4. Significant Events Occurring During Pendency of Bankruptcy Case.

1.4.1 Employment of Professionals by Debtor. The Debtor employed the law firm of DelCotto Law Group PLLC (“DelCotto”), as its counsel for general bankruptcy matters in the Bankruptcy Case [Order entered July 30, 2015; Doc. 39 in jointly administered cases]. The Debtor also employed Roger Martin as its accountant to prepare amended tax returns and provide other accounting services [Doc. 96].

1.4.2 Postpetition Operations. Following the Petition Date, the Debtor continued to operate its business as a debtor in possession under Chapter 11 of the Bankruptcy Code until December 3, 2015. The Debtor has continued its healthcare operations following that date, under the supervision of the Chapter 11 Trustee appointed by the Court.

1.4.3 Unsecured Creditors Committee. No unsecured creditors committee has been formed or appointed in this case.

1.4.4 Appointment of Chapter 11 Trustee. The U.S. Trustee filed a Motion to Appoint a Trustee on September 4, 2015 [Doc 71]. On November 25, 2015, the Court entered an Order directing the U.S. Trustee to appoint a Chapter 11 trustee [Doc. 158]. On December 2, 2015, the U.S. Trustee filed its Notice of Appointment of Chapter 11 Trustee [Doc. 162] and its Motion to Approve Appointment of Adam M. Back, Esq. as Chapter 11 Trustee [Doc. 163]. On December 3, 2015 (the “Chapter 11 Trustee Appointment Date”), Adam M. Back filed his Notice of Acceptance of Appointment [Doc. 164] and on the same day, the Court entered an Order approving that appointment [Doc. 167].

Following his appointment, the Chapter 11 Trustee has come to believe that the Debtor’s historical books and records contain information that is largely unreliable. The Chapter 11 Trustee makes no representations or warranties of any kind regarding the reliability of the Debtor’s books and records, the Debtor’s historical numbers and/or those projections/estimates regarding numbers or other figures going forward. The terms of the Plan and the Disclosures contained herein represent the Chapter 11 Trustee’s best efforts to prepare meaningful figures, estimates, and projections for purposes of this Plan, based on the information provided by the Debtor to the Chapter 11 Trustee. The Chapter 11 Trustee is not responsible for the actual performance of this Debtor or any of the Affiliated Debtors, as the estimates and projections contained herein are based upon all data made available to the Chapter 11 Trustee by the Debtor.

1.4.5 Cash Collateral/Adequate Protection. The Court entered an order [Doc. 43] authorizing the Debtor to use cash collateral and granting adequate protection through November 30, 2015. The Chapter 11 Trustee believes, but does not warrant or represent, that the Debtor used cash collateral and paid adequate protection in the manner provided by this order. The Court entered an Order [Doc. 181] on December 22, 2015, authorizing the continued use of cash collateral by the Chapter 11 Trustee through December 31, 2015, and since then has entered substantially similar Orders authorizing the Chapter 11 Trustee’s continued use of cash collateral herein, which use the IRS has consented to. The Chapter 11 Trustee has used cash collateral and paid adequate protection in the manner provided by these Orders.

1.4.6 Payment of Employee Wages, Benefits and Related Taxes/Ordinary Course of Business. The Debtor managed its affairs as a debtor in possession under the protection and supervision of the Bankruptcy Court from the Petition Date through the Chapter 11 Trustee Appointment Date. The Debtor also continued to operate its operations in the ordinary course during that time, and states that no other transactions have occurred which were outside the ordinary course of the Debtor's affairs during the time period from the Petition Date through the Chapter 11 Trustee Appointment Date. The Chapter 11 Trustee states that no other transactions have occurred which were outside the ordinary course of the Debtor's affairs during the time period from the Chapter 11 Trustee Appointment Date through the filing of this Plan. All postpetition taxes and wages shall be paid on or before the Confirmation Date. The Chapter 11 Trustee believes all such postpetition Claims have been paid.

ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DETERMINED, PURSUANT TO THE BANKRUPTCY CODE, BASED UPON THE BALLOTS OF THE CREDITORS HOLDING ALLOWED CLAIMS THAT ACTUALLY VOTE ON THE PLAN. THEREFORE, IT IS IMPORTANT THAT CLAIMANTS EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN.

1.4.1 Classes Entitled to Vote on the Plan. All Creditors who have an Impaired Claim are entitled to vote to accept or reject the Plan.

1.4.2 General Provisions. Any Creditor holding a Claim that does not vote will not be counted in the percentage or number requirements for voting. A Claim that has been objected to is not an Allowed Claim unless and until the Court rules on the objection. The Court may temporarily set an amount for such an objected Claim for purposes of voting on the Plan. The allowance or disallowance of any Claim for voting purposes does not necessarily mean that all or a portion of the Claim or interest will be allowed or disallowed for distribution purposes under the Plan.

1.4.3 Requirements for Class Acceptance. As a condition of Confirmation, the Bankruptcy Code requires that each class of Claims that is Impaired vote to accept the Plan, subject to the exception of 11 U.S.C. § 1129(b), which still requires one (1) class of Claims that is Impaired to have voted to accept the Plan. A class of Claims accepts the Plan if (i) the Creditors holding Allowed Claims in the class casting votes in favor of the Plan hold at least two-thirds (2/3) of the total Allowed Claims voting in that class and (ii) more than one-half (1/2) in number of Creditors holding Allowed Claims in the class and casting votes vote in favor of the Plan.

1.4.4 Confirmation Pursuant to 11 U.S.C. §§ 1129(a)(10) and 1129(b). The terms of 11 U.S.C. § 1129(a)(10) shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired class. The Chapter 11 Trustee shall seek Confirmation of the Plan pursuant to 11 U.S.C. § 1129(b) with respect to any rejecting class of Claims. The Chapter 11 Trustee also reserves the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code.

1.4.5 Contested, Disputed, Contingent or Unliquidated Claims. _Contested, disputed, contingent, and/or unliquidated Claims are not entitled to vote to accept or reject the

Plan. If your Claim has been estimated for voting purposes, then you will be allowed to vote your Claim in the amount estimated by that order. If a ballot is erroneously sent to a Creditor not entitled to vote, then the ballot will not be counted in the calculation of the Creditors voting to accept or reject the Plan. If you are a Creditor holding a contested, contingent, disputed, or unliquidated Claim, you may ask the Court to have your Claim temporarily allowed for the purpose of voting, pursuant to Fed. R. Bankr. P. 3018. Upon information and belief, there are no contingent and/or unliquidated Claims.

1.4.6 Ballots and Voting. Creditors holding Allowed Claims entitled to vote on the Plan have been sent a ballot, together with instructions for voting, with this Plan. Creditors should read the ballot carefully and follow the instructions contained therein. In voting to accept or reject the Plan, you must use only the ballot sent to you with this Plan. Creditors entitled to vote must complete, sign, and return their ballots by delivering or transmitting their ballots to the Attorneys for the Chapter 11 Trustee, Stoll Keenon Ogden PLLC, 300 West Vine Street, Suite 2100, Lexington, Kentucky 40507, Phone: (859) 231-3000, Fax: (859) 246-3622, Attention: Jessica Middendorf, Email: jessica.middendorf@skofirm.com, on or before 5:00 p.m. (EST) on the deadline of July 31, 2018. Fed. R. Bankr. P. 3018(a) permits a creditor, for cause, to petition the court to permit it to change or withdraw its vote on a plan. Any such petition must be made before the Confirmation Hearing, unless otherwise permitted by the Court. The Chapter 11 Trustee will present the results of the voting to the Bankruptcy Court at the Confirmation Hearing.

1.5. Confirmation of the Plan/Liquidation Analysis.

1.5.1 The Bankruptcy Court will confirm the Plan only if it finds that the Plan complies with the requirements of Chapter 11 of the Bankruptcy Code.

1.5.2 If the Plan is not confirmed and consummated, the alternatives include conversion of the Bankruptcy Case to one under Chapter 7 of the Bankruptcy Code which would result in no distribution to Unsecured Creditors.

1.5.3 Liquidation Analysis. In order to confirm the Plan, it must be in the best interests of Creditors and equity security holders of the Debtor who are Impaired by the terms of the Plan. The Plan is in the best interests of Creditors if the Creditors in an Impaired class receive under the Plan at least as much as they would receive under a liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. To calculate what recovery members of each Impaired class of Creditors would receive if the Assets of the Debtor were liquidated, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated if the Debtor's Chapter 11 case was converted to a Chapter 7 case under the Bankruptcy Code and the Assets were liquidated by a trustee in bankruptcy (the "Liquidation Value").

The Liquidation Value available to general Creditors would be reduced by (i) the Claims of Secured Creditors to the extent of the value of their collateral and (ii) the costs and expenses of liquidation, as well as other administrative expenses of the Estate. The cost of liquidation under Chapter 7 would include the compensation of a trustee, as well as the expenses of counsel and other Professionals retained by the trustee; disposition expenses; all unpaid expenses incurred by the Debtor during its Chapter 11 case (such as compensation for the Chapter 11

Trustee, the Chapter 11 Trustee's professionals, attorneys and accountants) which are allowed in the Chapter 7 proceeding; litigation costs; and Claims arising from the operations of the Debtor during the pendency of this Chapter 11 case and the Chapter 7 liquidation proceedings. These prior Claims would be paid in full out of the liquidation proceeds before the balance would be made available to pay general Claims or to make any distribution with respect to the equity interests.

For the Debtor, the Liquidation Value would be the net proceeds realized from the disposition of all Assets, and recoveries on actions against third parties, if any. In order to calculate the Liquidation Value of the Assets, the Debtor has utilized the valuation figures contained in the Schedules accompanying its bankruptcy petition. The Chapter 11 Trustee has adopted and relied upon the Liquidation Analysis previously performed by the Debtor in this Plan.

According to the estimated values set forth in the Schedules, the Debtor has calculated that the total fair market value of the Assets is approximately \$372,231.80 (based on the Debtor's best estimate of fair market value). The Debtor has two primary Assets: accounts receivable, and cash in bank accounts. The Chapter 11 Trustee has adopted and relied upon the Debtor's prior estimate of fair market value of the Assets.

The Debtor's Liquidation Analysis appears to be reasonable to the Chapter 11 Trustee, and that liquidation valuation figure is based on a seventy percent (70%) reduction in property and its assessment regarding collectible receivables. Said liquidation value, being the distressed sale value of the personal property, would not yield in excess of \$212,231.80. The Debtor's personal property is encumbered by the Liens of the IRS.

Thus, it is evident that under Chapter 7 liquidation, the Unsecured Creditors would receive nothing since sufficient funds would not be available to satisfy Secured and Priority Claims in full. In contrast, the Chapter 11 Trustee's proposed Plan provides for a projected 100% distribution on Allowed Unsecured Claims. See Exhibit 1 for an itemization of income and expenses. The pool amount to Unsecured Creditors is an estimate only and actual payments may be higher or lower than projected. Annually for the duration of the Plan repayment period, 50% of the total net profits of the Affiliated Debtors will be distributed to the Affiliated Debtors' Unsecured Creditors, pro rata, including this Debtor's Class E Unsecured Creditors, on account of their respective claims. Any such annual distribution shall be made to the Class E Unsecured Creditors no later than March 31, for the Debtor's prior fiscal year; provided, however, that the Chapter 11 Trustee does not warrant or guarantee that any such distribution will be made in a given year. The remaining 50% of the total Affiliated Debtors' net profits will be distributed to the equity holders. Further, any and all intercompany claims between the Affiliated Debtors will be eliminated.

Revenue assumptions are based on consideration of historical performance and current performance of the Debtor, based on the information provided by the Debtor, with slight adjustments due to increase in patient volume, enhanced utilization of the integrated care model, and additional services provided by the Debtor. Expense assumptions are based on historical expenses provided by the Debtor, with slight adjustments to account for increases in supply and labor costs in the future. In 2017, the Debtor generated revenue in the amount of \$1,175,198.31

according to its books and records. In 2016, the Debtor generated revenue in the amount of \$1,108,701.86 according to its books and records. Income was reduced in prior years due to severe Medicaid payment delays which have since improved. The Chapter 11 Trustee believes future income will be increased in part due to increases in patient volume and increases attributable to the Debtor's enhanced utilization of the integrated care model, as well as increases due to additional services being provided by certain of the Affiliated Debtors.

The Chapter 11 Trustee has therefore determined that the percentage recoveries in a Chapter 7 liquidation to Secured Creditors, Priority claimants, general Creditors and the equity security holders will be less than the distributions offered each of these classes of Claims and interests under the Plan. The liquidation analysis conducted by the Debtor, which appears reasonable to the Chapter 11 Trustee and which the Chapter 11 Trustee has therefore adopted, is attached hereto as Exhibit 2. As provided in the Plan, the equity holder(s) are in agreement with the Chapter 11 Trustee that the assets owned by the legal entity known as Medical Investment Trust, LLC ("MIT") are property of the bankruptcy estate of this Debtor. This includes any and all assets of any nature, kind, or interest presently held by MIT. Thus, all assets of MIT will be properly transferred to this Debtor and the equity holders will surrender any and all interests they have therein.

The Plan further provides that equity holder(s) shall retain their ownership interests and further, will contribute as paid-in capital to the bankruptcy estates of the Affiliated Debtors, collectively: (1) a one-time, lump sum payment of \$10,000 in cash, and (2) any and all right(s) and/or interest(s) of either and/or both equity holders to the receipt of certain rent payments on the Pike County real estate of which the equity holders are co-owners with a non-Debtor third party. For clarity, this will result in the equity holders allowing this Debtor and Affiliated Debtor Pediatric Associates of Pikeville, LLC to utilize their respective office building locations (which building serves as the "headquarters" of all Affiliated Debtors as it is where all accounting, IT, and other back office services for the Affiliated Debtors are located), without remitting any rent payments for such office space that would otherwise be due and payable to the equity holders.

The Plan provides for equity to retain its ownership interests only after their contribution of \$10,000 in cash, collectively, to the Affiliated Debtors, their relinquishment of any rent otherwise due and owing to them for the office locations of this Debtor and Affiliated Debtor Pediatric Associates of Pikeville, LLC, and their relinquishment of any and all assets presently held by non-debtor MIT. Thus, the Chapter 11 Trustee does not believe that the Plan violates the absolute priority rule if any Unsecured Creditor objects to the Plan. It is unknown at this time whether the Plan will be supported by Unsecured Creditors; however, the Chapter 11 Trustee believes the Debtor's Liquidation Analysis set forth on Exhibit 2 demonstrates that the Plan provides a more favorable recovery to Unsecured Creditors than a hypothetical Chapter 7 liquidation.

1.6. Conclusion. The materials provided in these Disclosures are intended to assist you in reviewing the Plan in an informed manner. Where appropriate, additional Disclosures are marked in the text of the Plan. If the Plan is confirmed, you will be bound by the terms of the Plan. You are urged to study these materials and make such further inquiries as you may deem appropriate. In the event of any inconsistencies between the Plan provisions and the Disclosures

contained in this Article or those labeled “Disclosures” in the subsequent provisions, the provisions of the Plan shall control.

ARTICLE II. DEFINITIONS

2.1. Defined Terms. All capitalized terms used herein and not otherwise defined have the meanings given to them in the Definitions attached hereto as Exhibit A or, if not defined in Exhibit A, then as defined in the Bankruptcy Code, unless the context clearly requires otherwise.

2.2. Rules of Construction. The rules of construction used in 11 U.S.C. § 102 shall apply to the construction of this Plan.

ARTICLE III. TREATMENT OF UNCLASSIFIED CLAIMS

Unclassified Claims consist of Allowed Administrative Claims and Priority Claims, which shall be paid from the Debtor’s operations as set forth below. Unclassified Claims do not vote on the Plan.

3.1. Administrative Claims. All fees payable to the United States Trustee have been paid or shall be paid in full on or before the Confirmation Date of the Plan. Thereafter, the Chapter 11 Trustee’s obligation to pay United States Trustee fees shall continue until the Bankruptcy Case is closed, dismissed, or converted, whichever occurs first, and said fees will be paid from the Debtor’s operations. The Chapter 11 Trustee shall timely file all reports required by the United States Trustee until the case is closed, dismissed, or converted.

3.2. Compensation of Chapter 11 Trustee. The Chapter 11 Trustee shall be paid its fees pursuant to 11 U.S.C. §§ 326 and 330 by the Debtor in equal installments on a monthly basis within the first twenty-four (24) months following confirmation of the Plan, after notice and hearing and upon approval of this Court of such payment schedule as soon as practicable, but not later than at the Confirmation Hearing. Post-Effective Date Chapter 11 Trustee fees, if any, shall not require Court approval.

3.3. Compensation of Chapter 11 Trustee’s Professionals. Professional claims of the Chapter 11 Trustee shall be paid by the Debtor in equal installments on a monthly basis within the first eighteen (18) months following confirmation of the Plan, after notice and hearing and upon approval of this Court of such payment schedule as soon as practicable, but not later than at the Confirmation Hearing. Post-Effective Date Professional Claims of the Chapter 11 Trustee shall not require Court approval.

3.4. Professional Claims of the Debtor. Professional claims of the Debtor shall be paid by the Debtor in equal installments on a monthly basis within the first eighteen (18) months following confirmation of the Plan, after notice and hearing and upon approval of this Court of such payment schedule as soon as practicable, but not later than at the Confirmation Hearing. Post-Effective Date professional claims shall not require Court approval.

Disclosure: The Trustee estimates that Professional Fees across all Affiliated Debtors will not exceed \$99,831.19, to be paid within the first eighteen (18) months following Confirmation and that the Chapter 11 Trustee's compensation across all Affiliated Debtors will not exceed \$125,000, to be paid within the first twenty-four (24) months following Confirmation.

3.5. Post-Petition Accruing Taxes. Taxes accruing post-petition and taxes incurred following the Effective Date shall be paid as soon as practicable as they become due. The payment thereof shall not require Court approval.

Except for Administrative Claims incurred in the ordinary course of the Debtor's business postpetition, all requests for allowance of Administrative Claims shall be filed with the Court no later than thirty (30) days following the Effective Date, or at such other date as the Court may otherwise order, or be forever barred.

3.6. Net Profits. The Affiliated Debtors' collective annual net profits shall be applied as follows: 50% to the Affiliated Debtors' collective Unsecured Creditors on a pro rata basis, including this Debtor's Class E Unsecured Creditors, as more fully set forth in Section 3.7, below; with the remaining 50% to be distributed to the equity holders.

3.7. Distribution to Unsecured Creditors. As soon as practicable after the Effective Date, the Chapter 11 Trustee or the Plan Administrator shall make a mandatory distribution, collectively, to the Unsecured Creditors of all Affiliated Debtors in the total sum of \$10,000.00 cash, including this Debtor's Class E Unsecured Creditors, on account of their respective Claims. Thereafter, annually for the duration of the Plan repayment period, 50% of the total net profits of the Affiliated Debtors will be distributed to the Affiliated Debtors' Unsecured Creditors, pro rata, including this Debtor's Class E Unsecured Creditors, on account of their respective claims. Any such annual distribution shall be made to the Class E Unsecured Creditors no later than March 31 for the Debtor's prior fiscal year; provided, however, that the Chapter 11 Trustee does not warrant or guarantee that any such distribution will be made in a given year. The remaining 50% of the total net profits will be distributed to the equity holders.

ARTICLE IV. CLASSIFICATION OF CLAIMS AND INTERESTS

Under 11 U.S.C. § 1122, a plan of reorganization must classify the claims of a debtor's creditors and the interests of its equity holders. The Bankruptcy Code also provides that, except for certain claims classified for administrative convenience, a plan of reorganization may place a claim of a creditor or an interest of an equity claimant in a particular class only if such claim or interest is substantially similar to the other claims of such class. The Bankruptcy Code also requires that a plan of reorganization provide the same treatment for each claim or interest of a particular class unless the claimant of a particular claim or interest agrees to a less favorable treatment of its claim or interest.

- 4.1. Class A: Secured and Priority Claims of the Internal Revenue Service.
- 4.2. Class B: Secured and Priority Claims of the Kentucky Department of Revenue.
- 4.3. Class C: Claim of the Kentucky Division of Unemployment Insurance.

4.4. Class D: Other Taxing Authority Claims.

4.5. Class E: Allowed Unsecured Claims. Class E shall consist of the Allowed Unsecured Claims against the Debtor other than Administrative Claims, Tax Claims, and Priority Claims.

Disclosure: See Exhibit 3 for a schedule of Unsecured Claims.

4.6. Class F: Equity. Class F shall consist of the equity membership interest of Leonor So (50%) and Djien H. So (50%) in the Debtor.

ARTICLE V. TREATMENT OF CLASSIFIED CLAIMS

The Debtor reserves the right to object to any Claim except as provided herein. Nothing herein shall constitute an admission as to the validity of any Claim or a waiver of any rights of the Debtor to object thereto except as provided herein or pursuant to previous Orders of the Court. On the respective dates set forth herein, or as soon as practicable following the date a classified Claim becomes an Allowed Claim, whichever is later, the Reorganized Debtor shall make the following payments, undertake the considerations hereinafter set forth, and be obligated with respect to such Claims, as follows:

5.1. Class A: Secured and Priority Claims of the Internal Revenue Service.

Class A consists of the secured claim of the Internal Revenue Service, which as of May 17, 2018 was in the amount of \$207,231.80 (minus any adequate protection payments made by the Debtor) [*see* Claim No. 1-4] (the “IRS Secured Claim”), and which is secured by a Notice of Federal Tax Lien. Class A also consists of the priority claim of the Internal Revenue Service, which as of May 17, 2018 was in the amount of \$618,649.29 [See Claim No. 1-4] (the “IRS Priority Claim”). The IRS also has a general unsecured claim in the amount of \$222,991.75, which is classified and provided for in Class E, below.

Commencing on the Effective Date and except as provided herein, the IRS Secured Claim and the IRS Priority Claim will be paid through equal deferred monthly cash payments over a period not to exceed seven (7) years from the Effective Date, with interest per 11 U.S.C. § 511 at the applicable non-bankruptcy rate as of the calendar month in which the Plan is confirmed, subject to the option of the Debtor to prepay the entire amount of the IRS Secured Claim and/or the IRS Priority Claim. Notwithstanding any provision hereof to the contrary, the discharge of the IRS Secured Claim and/or the IRS Priority Claim provided for under the Plan shall not be effective until the respective claim has been paid in full, and the IRS shall retain any Lien(s) securing such claims until the respective claim has been paid in full. Class A is Impaired.

5.2. Class B: Secured and Priority Claims of the Kentucky Department of Revenue.

Class B consists of the secured claim of the Department of Revenue in the amount of \$58,185.00, which is secured by a statutory tax lien filed in Pike County B36, P25 (the “Revenue Cabinet Secured Claim”). Class B also consists of the priority claim of the Kentucky Department of Revenue, which as of May 22, 2018 was in the amount of \$164,507.71 (the

“Revenue Cabinet Priority Claim”). The Revenue Cabinet also has a general unsecured claim in the amount of \$118,519.89, which is classified and provided for in Class E, below.

Commencing on the Effective Date and except as provided herein, the Revenue Cabinet Secured Claim and the Revenue Cabinet Priority Claim will be paid through equal deferred monthly cash payments over a period not to exceed seven (7) years from the Effective Date, with interest per 11 U.S.C. § 511 at the applicable non-bankruptcy rate as of the calendar month in which the Plan is confirmed, subject to the option of the Debtor to prepay the entire amount of the Revenue Cabinet Secured Claim and/or the Revenue Cabinet Priority Claim. Class B is Impaired.

5.3. Class C: Claim of the Kentucky Division of Unemployment Insurance.

Class C consists solely of the claim of the Kentucky Division of Unemployment Insurance in the amount of \$363.12 (the “Unemployment Claim”). Commencing on the Effective Date and except as provided herein, the Unemployment Claim will be paid through equal deferred monthly cash payments over a period not to exceed seven (7) years from the Petition Date, with interest at the applicable non-bankruptcy rate as of the calendar month in which the Plan is confirmed, subject to the option of the Debtor to prepay the entire amount of the Unemployment Claim. Class C is Impaired.

5.4. Class D: Local Taxing Authority Claims.

Class D consists of the claim of the City of Pikeville in the amount of \$33,614.00 (the “Pikeville City Claim”) [See Claim No. 3-1]. Class D also consists of the claim of Pikeville Independent Schools in the amount of \$1,929.30 (the “Pikeville Schools Claim”). Commencing on the Effective Date and except as provided herein, the Pikeville City Claim and the Pikeville Schools Claim will be paid through equal deferred monthly cash payments over a period not to exceed seven (7) years from the Petition Date, with interest at the applicable non-bankruptcy rate as of the calendar month in which the Plan is confirmed, subject to the option of the Debtor to prepay the entire amount of the Pikeville City Claim and/or the Pikeville Schools Claim. Class D is Impaired.

5.5. Class E: Allowed Unsecured Claims.

As soon as practicable after the Effective Date, the Chapter 11 Trustee or the Plan Administrator shall make a mandatory distribution in the total sum of \$10,000.00 cash, collectively to the unsecured creditors of all Affiliated Debtors, including this Debtor’s Class E Unsecured Creditors, on account of their respective Claims. Thereafter, annually for the duration of the Plan repayment period, 50% of the total remaining net profits will be distributed to the Affiliated Debtors’ Unsecured Creditors, including this Debtor’s Class E Unsecured Creditors, pro rata, on account of their respective claims; provided, however, that the Chapter 11 Trustee does not warrant or guarantee that any such distribution will be made in a given year.

Disclosure: The Chapter 11 Trustee believes that the total of all valid Unsecured Claims as to this Debtor is approximately \$629,210.36. Based on the Debtor’s projections as relied upon by the Chapter 11 Trustee, Class D Claims are projected to receive 100% recovery on the Claims within the first five years of the Plan repayment period.

5.6. Class F: Equity. The So's shall retain their equity interest(s) in the Debtor. The equity holders shall contribute as paid-in capital to the collective Affiliated Debtors' Estates: (1) a one-time, lump sum payment of \$10,000 in cash, collectively across all Affiliated Debtors; and (2) any and all right(s) and/or interest(s) of either and/or both equity holders to the receipt of certain rent payments on the Pike County real estate of which the equity holders are co-owners with a non-Debtor third party. For clarity, this will result in the equity holders allowing this and Affiliated Debtor Pediatric Associates of Pikeville, LLC to utilize their respective office building locations (which building serves as the "headquarters" of all Affiliated Debtors as it is where all accounting, IT, and other back office services for the Affiliated Debtors are located), without remitting any rent payments for such office space that would otherwise be due and payable to the equity holders. Finally, the equity holders are in agreement with the Chapter 11 Trustee that any and all assets of any nature, kind, or interest presently held by non-debtor entity MIT are property of the bankruptcy estate of this Debtor. Thus, all assets of MIT will be properly transferred to this Debtor and the equity holders will surrender any and all interests they have therein. No distributions shall be made on account of the equity interest(s) of the Debtor unless and until the Debtor has made all other distributions required and otherwise fully complied with all terms and conditions of the Plan. Class F is not Impaired.

5.7. Valuation of Secured Claims. Under 11 U.S.C. § 506, a secured creditor has a secured claim to the extent of the creditor's interest in the debtor's interest in the collateral and an unsecured claim for the balance, if any, unless the creditor, if eligible, elects to have its claim treated as fully secured. Except as set forth herein, the allowed amount of a Creditor's secured Claim will be the lesser of the value of the Creditor's interest in the Debtor's interest in the property as determined under 11 U.S.C. § 506, or the allowed amount of the Creditor's Claim. If a dispute over valuation occurs with any Secured Creditor, the Chapter 11 Trustee reserves the right to request that the Court determine the value of the Creditor's interest in the collateral which secures the Creditor's Claim. With respect to its Secured Claims, the IRS, pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(I), will retain its Lien securing such Secured Claim due from the Debtor to the extent of the Allowed amount of such Secured Claim, until such Secured Claim is paid in full as provided hereunder.

5.8. Provisions applicable to all Claims.

5.8.1 Satisfaction of Claims. The payments, distributions and other treatment provided in respect to each Allowed Claim in this Plan shall be in complete satisfaction, discharge, and release of such Allowed Claim. Notwithstanding any other provision of the Plan specifying a date or time for payment or distributions hereunder, no payment or distribution shall be made on any portion of a Claim which is disputed, unliquidated, contingent or subject to objection until such Claim becomes an Allowed Claim, whereupon it shall be paid pursuant to the terms of the Plan.

5.8.2 Injunction. Except as otherwise provided in the Confirmation Order and in Section 11.12 herein, the entry of the Confirmation Order shall constitute an injunction against all Persons from taking any actions to commence or continue any action or proceeding that arose before the Effective Date against or affecting the Debtor, the Estate, or the Assets, so long as the Reorganized Debtor is in compliance with the Plan provisions.

5.8.3 Claims Objections. Unless otherwise ordered by the Bankruptcy Court, all objections to Claims, including determinations regarding the secured status of any Claim, shall be filed on or before sixty (60) days after the Effective Date, or thirty (30) days following the filing of any Claim, whichever is later; provided, however, any Claim listed in the Schedules as disputed, and for which no timely proof of claim has been filed shall be deemed a Disallowed Claim without the necessity of filing an objection thereto. The Chapter 11 Trustee may seek to extend this objection deadline by appropriate motion.

5.8.4 Procedure for Contingent or Unliquidated Claims. Creditors holding contingent or unliquidated Claims shall have sixty (60) days from the Confirmation Date to file a motion or adversary action with the Court to have their Claim estimated for payment, liquidated, or otherwise allowed. Upon the allowance of a contingent or unliquidated Claim, it shall be entitled to distribution under the Plan consistent with the treatment of other Claims in the class in which the contingent or unliquidated Claim is ultimately allowed. The contingent or unliquidated Claim of any Creditor who fails to initiate action pursuant to this provision for the allowance of its Claim shall have its Claim disallowed and be forever barred from seeking any recovery from the Debtor, the Estate, and the Assets. Notwithstanding this provision, (a) the holders of any contingent or unliquidated Claims for which insurance coverage may exist may be allowed and paid to the extent of such liability insurance and (b) Tax Creditors shall have until ninety (90) days after the filing of any return in which to file a Claim arising from the filed return for any claims which are contingent or unliquidated as of the Confirmation Date.

ARTICLE VI. MEANS OF IMPLEMENTATION OF PLAN

6.1. Operations. The Debtor shall continue its healthcare operations. Notwithstanding any prior order, as of the Effective Date, the Chapter 11 Trustee or Plan Administrator, as applicable, shall have the right to collect and use all revenues and other cash collateral derived from the operation of the Assets. Further, the Chapter 11 Trustee or Plan Administrator shall have the right to sell, merge, and/or terminate the operations of the Debtor and/or any of the Debtor's Affiliates, should the Chapter 11 Trustee or Plan Administrator, in the sound exercise of their business judgment, see fit to do so.

Disclosure: The Debtor's projections (which have been adopted by the Chapter 11 Trustee) illustrating yearly revenue and expenses for the Plan period are set forth in Exhibit 1 attached hereto. Based on the financial projections, the Chapter 11 Trustee believes the Debtor should have sufficient cash flow to pay all normal and customary operating expenses and be capable of funding its plan of reorganization.

6.2. Authority for Debtor; Appointment of Plan Administrator for One Year Term. On the Confirmation Date, Adam M. Back, the current Chapter 11 Trustee, shall be appointed as the Plan Administrator and tasked with implementing and overseeing the execution of the Plans of the Affiliated Debtors, including this Debtor, for a term of one (1) full calendar year from the Confirmation Date (the "Plan Administrator" and the "Term"). The Plan Administrator shall act as agent for the Debtor and the Estate as set forth below and will be responsible for accounting for and making distributions required under the Plan. The Plan Administrator shall have full authority for all the Debtor and the Estate to perform any act that the Debtor is authorized or

required to perform to implement the Plan and administer the Estate. The Plan Administrator shall retain the Estate's and the Debtor's capacity to litigate Claims or interests as retained herein and shall have authority to hire Professionals to prepare the required tax returns for usual and reasonable fees therefor, payable out of the proceeds of the Debtor's operations. The Plan Administrator shall not be liable in any manner in the performance of his duties, except for criminal acts, malfeasance, or gross recklessness, and no bond shall be required. The Plan Administrator shall be authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions on behalf of the Debtor or the Estate as may be necessary or appropriate to effectuate and further evidence the provisions of this Plan. The Plan Administrator shall further retain the authority to sell, merge, and/or terminate the business operations of the Debtor and/or any of the Affiliated Debtors following the Confirmation Date and the Effective Date.

6.2.1 Compensation of Plan Administrator. The Plan Administrator shall be paid for time expended according to his customary hourly rate of \$345.00, and such payment shall be made by the Debtor on a monthly basis.

6.2.2 Authority for Debtor Following Term of Plan Administrator. Upon the expiration of the Term of the Plan Administrator, equity holder Dr. Leonor So shall take over all duties and responsibilities of the Plan Administrator with respect to implementing and overseeing the execution of the Plan for the remainder of the Plan's seven (7) year repayment period.

6.3. Vesting and Reservation of Other Assets. At the Confirmation Date, all Assets of the Debtor and the Estate, including all Avoidance Actions and Causes of Action, will revest in and remain with the Reorganized Debtor, free and clear of all liens, claims, interests and encumbrances except for those liens provided for in the Plan. The Reorganized Debtor will remain subject to the jurisdiction of this Court until the Bankruptcy Case is closed or dismissed.

6.4. Prosecution of Claims and Causes of Action and Objections to Claims. The Chapter 11 Trustee's rights, duties and obligations to investigate, prosecute, and collect the entire Debtor's and Estate's Causes of Action, including Avoidance Actions, shall pass to and vest in the Reorganized Debtor as of the Effective Date. The Plan Administrator may, but shall not be required, to prosecute any Avoidance Action in its sole discretion. Claims to be considered by the Plan Administrator include, but are not limited to, preferential and fraudulent conveyance Claims under state and federal law against all Persons. If a motion or suit has not been filed to collect, prosecute, or liquidate any action within one hundred and eighty (180) days after the Effective Date, it shall be deemed abandoned. Notwithstanding any provision relating to their Claims under the Plan, any Person or Creditors having received a transfer of Estate property during the relevant look-back period of ninety (90) days before the Petition Date should assume they are subject to an Avoidance Action.

Disclosure: The Chapter 11 Trustee's investigation indicates that no Avoidance Actions with value exist as most transferees during the 90-day period would have valid defenses and/or are payments on contracts/leases that are being assumed by the Debtor. After review of the Debtor's books and records, the Chapter 11 Trustee has decided not to initiate avoidance actions against anyone, including any Insiders.

6.5. Post-Effective Date Professional Fees. The Debtor shall be authorized to continue the engagement of Roger Martin, CPA, SKO, and such other Professionals as the Plan Administrator may deem necessary for the purposes of rendering services in connection with implementing the Plan, resolving Claims, and performing routine Chapter 11 administration upon terms and conditions acceptable to the Plan Administrator. For the avoidance of doubt, the Plan Administrator shall be fully authorized to hire additional Professionals, including legal counsel, as the Plan Administrator may deem necessary for the purposes of rendering services in connection with performing routine Chapter 11 Plan administration. After the Effective Date, the Plan Administrator shall pay the reasonable fees and expenses of Roger Martin, CPA, SKO or any other Professional rendering services after the Effective Date within thirty (30) days after submission of a detailed invoice therefor to the Plan Administrator with a copy to any other party in interest who requests same, without Court approval. If a party in interest disputes the reasonableness of an invoice (which must be done within ten (10) days after service of same by written notice to the invoicing Professional), the Plan Administrator shall pay the undisputed portion thereof and the affected party may, if unable to resolve the dispute by negotiation, submit such dispute to the Court for a determination of reasonableness by motion, notice, and hearing.

6.6. Anticipated Federal Tax Consequences of the Plan. Tax consequences resulting from Confirmation of the Plan can vary greatly among the various classes of Creditors and holders of interests, or within each class. Significant tax consequences may occur as a result of Confirmation of the Plan under the Internal Revenue Code and pursuant to state, local, and foreign tax statutes. Because of the various tax issues involved, the differences in the nature of Claims of various Creditors, the taxpayer status and methods of accounting and prior actions taken by Creditors with respect to their Claims, as well as the possibility that events subsequent to the date hereof could change the tax consequences, this discussion is intended to be general in nature only. No specific tax consequences to any Creditor or of an interest are represented, implied, or warranted. The Chapter 11 Trustee makes no representations of tax consequences to Creditors, and Creditors should consult their own accountants as to tax consequences to them on their Claims herein.

6.7. Final Distribution. The final distribution to Creditors under the Plan will occur as set forth herein.

ARTICLE VII. IMPAIRED CLASSES

7.1. Classes A, B, C, D, and E are Impaired under the Plan.

ARTICLE VIII. MANAGEMENT OF DEBTOR

8.1. Management During Term of Plan Administrator. As detailed by section 6.2, above, the Affiliated Debtors (including this Debtor) will be managed by the Plan Administrator for the first full calendar year after the Confirmation Date. The Plan Administrator shall act as agent for the Debtor and the Estate as set forth in Section 6.2 above and will be responsible for accounting for and making distributions required under the Plan. The Plan Administrator shall have full authority for the Debtor and the Estate to perform any act that the Debtor is authorized

or required to perform to implement the Plan and administer the Estate, as more fully detailed in Section 6.2.

8.2. Authority for Debtor Following Term of Plan Administrator. Following the one (1) year term of the Plan Administrator, the Debtor's equity holder Dr. Leonor So shall take over all duties and responsibilities of the Plan Administrator with respect to implementing and overseeing the execution of the Plan for the remainder of the seven (7) year plan repayment period.

ARTICLE IX. NOTICES

Except as otherwise specified, all notices and requests shall be given by any written means, including but not limited to facsimile, first-class mail, express mail or similar overnight delivery service, and hand-delivery letters, and any such notices or requests shall be deemed to have been given when received. Notices shall be delivered as follows:

To the Debtor:
Asthma and Allergy Center
c/o Dr. Leonor So
156 Island Creek Road
Pikeville, KY 41051

With a Copy to:
Jessica L. Middendorf
Stoll Keenon Ogden PLLC
300 W. Vine Street, Suite 2100
Lexington, KY 40507
Jessica.middendorf@skofirm.com

And to the Plan Administrator:
Adam M. Back, Plan Administrator
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507
Adam.back@skofirm.com

ARTICLE X. EXECUTORY CONTRACTS AND LEASES

10.1. As of the date of the filing of this Plan, the Chapter 11 Trustee has not filed a motion to assume or reject any executory contracts or unexpired leases. The Chapter 11 Trustee reserves the right to apply to this Court at any time prior to Confirmation for authority to assume or reject any and all executory contracts and unexpired leases in whole or in part as provided in 11 U.S.C. §§ 365 and 1123. All remaining executory contracts and leases for which the Debtor has not so moved on or before the Confirmation Date shall be deemed rejected as of said date (the "Rejection Date").

The Plan shall constitute a motion to assume the various healthcare provider contracts and other contracts/leases set forth on Exhibit 4. The Chapter 11 Trustee does not believe the Debtor is in default under the contracts and therefore no cure amounts are owed.

10.2. Unless a different time period is set forth in any separate order, the lessor of any equipment or other personal property deemed rejected under an order of the Court or by virtue of Section 10.1 above shall have fifteen (15) days following the Rejection Date (the “Repossession Date”) in which to take possession of said equipment. If said equipment or property is not taken by said lessor by the Repossession Date, then said equipment shall be deemed abandoned by lessor to the Plan Administrator, free and clear of any Liens, Claims, encumbrances or interests which may be claimed by a lessor.

10.3. Any proof of claim which any Person has with respect to the rejection of any unexpired lease or executory contract must be filed no later than thirty (30) days after the later of (i) entry of a Final Order of this Court authorizing such rejection or (ii) the Rejection Date. Any such Claim for rejection damages shall be treated as a Class E Unsecured Claim.

ARTICLE XI. MISCELLANEOUS PLAN PROVISIONS

11.1. Effectuating Documents; Exemption from Certain Transfer Taxes. The Plan Administrator is hereby authorized to execute, deliver, file or record such documents, contracts, releases and other agreements, and take all such further action as may be necessary, to effectuate and further evidence the terms of this Plan. Pursuant to 11 U.S.C. § 1146(a), the delivery of any instrument of transfer under, and in furtherance of, or in connection with, the Plan, including but not limited to deeds, bills of sale, assignments, or other instruments of transfer, shall not be subject to any stamp tax, or similar transfer tax. Notwithstanding the foregoing, if applicable, state sales tax will be paid on the sale of the Debtor’s inventory made in the ordinary course of the Debtor’s operations.

11.2. Discharge of Debtor. Pursuant to 11 U.S.C. § 1141(d)(1), the Confirmation Order herein shall discharge Claims against the Reorganized Debtor; provided, however, the discharge of any IRS Secured Claim under this Plan shall not be effective until the IRS Secured Claim(s) provided for under this Plan have been paid in full. No Creditor of the Reorganized Debtor may receive any payment from, or seek recourse against, any Assets which are to be distributed under the Plan, except for those distributions expressly provided for in the Plan.

11.3. Closing of the Bankruptcy Case. On or after the Confirmation Date, the Chapter 11 Trustee shall expeditiously move to close the Bankruptcy Case, if so allowed by the Court; provided, however, that any closing shall be subject to the following conditions authorized by 11 U.S.C. § 349(b): (a) said closing shall not alter, amend, revoke, or supersede the terms of the confirmed Plan; (b) all rights of the Chapter 11 Trustee, Creditors or any other Person treated under the Plan shall remain unaffected by said closing except as provided herein; (c) the terms of the confirmed Plan shall be binding on all Persons; (d) all Orders previously entered by the Court, unless altered by the Plan, shall remain in full force and effect; and (e) the Court shall retain all jurisdiction set forth herein.

11.4. Modification of Plan. The Chapter 11 Trustee may propose amendments to or modifications of this Plan under 11 U.S.C. § 1127 at any time prior to the Confirmation Date. The Chapter 11 Trustee may revoke or withdraw the Plan at any time prior to the Confirmation Hearing. After the Confirmation Date the Chapter 11 Trustee may remedy any defects or

omissions or reconcile any inconsistencies in this Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of this Plan so long as the interests of the Creditors are not materially and adversely affected.

11.5. Condition of the Effective Date. The Confirmation Order shall have become a Final Order.

11.6. Consummation of the Plan. Substantial consummation shall occur when the first payments on Allowed Claims are made or reserved for.

11.7. Minimum Distributions. If a distribution to be made to a Creditor holding an Allowed Claim would be \$1.00 or less in the aggregate, notwithstanding any contrary provision of this Plan, no such distribution will be made to such Creditor.

11.8. Late Claims. Disallowed Claims shall be expunged from the claims register in the Bankruptcy Case without need for any further notice, motion, or order.

11.9. Copies of Confirmation Order Sufficient Evidence of Plan Terms. Upon Confirmation of this Plan, a true and correct copy of the Confirmation Order shall be legally sufficient evidence of the terms, provisions, and effects of this Plan for all purposes in any subsequent judicial proceeding or official record.

11.10. Binding Effect. The rights and obligations of any Person named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the successors, heirs, and assigns of such Person.

11.11. Unclaimed Funds. All unclaimed payments or distributions made to any Creditor under the Plan, including but not limited to, unnegotiated checks or drafts, shall revert, after ninety (90) days, to the Plan Administrator, and shall be preserved and paid out for the benefit of Class D Allowed Unsecured Claims. Any Creditor whose payment is forfeited under this provision will thereafter be treated as having a Disallowed Claim. The Plan Administrator will utilize addresses used by Creditors in proofs of claim or in the Schedules for distribution.

11.12. Notice of Default. In the event of any alleged default under the Plan, any affected Claimant or party in interest must give a written default notice to the Reorganized Debtor with copies to counsel of record for the Plan Administrator, specifying the nature of the default. The Reorganized Debtor shall have thirty (30) days to cure such default from the first date either the Reorganized Debtor or its counsel receives the default notice. If such default has not been cured within the 30-day cure period, then the claimant shall have the right to immediately enforce its liens, mortgages, and security interests in compliance with Kentucky or other applicable law, including without limitation, foreclosure, repossession, and the sale of the collateral securing its Claim. Any such action shall not be deemed in any way a violation of the Plan or Plan injunction and shall be permitted without need for further Court order. The Injunction in Section 5.7.2 shall expire as to the defaulted claimant if any noticed default remains uncured after the 30-day cure period.

11.13. Default With Respect to IRS Claims. If the Debtor fails to make any deposits of any currently accruing income, employment, or other tax liability, fails to make payment of any

tax to the IRS within ten (10) days of the due date of such deposit or payment, fails to make the payments to the IRS as provided by this Plan, or if the Debtor fails to file any required federal tax return by the due date of such return, then the United States may, following written notification of default to the Debtor and opportunity to cure the default as described in Section 11.12, above, declare that the Debtor is in default of the Plan. Failure to pursue remedies for default as detailed herein does not constitute a waiver by the United States of the right to pursue any such default remedies.

11.13.1 Following written notification of default to the Debtor by the IRS, as outlined in the preceding paragraph, above, and the Debtor's failure to cure such default within thirty (30) days, the entire imposed liability due the IRS, together with any unpaid current liabilities, shall become due and payable immediately and the IRS may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. Further, upon default, the extent of the IRS Lien(s) for any such imposed liabilities and/or unpaid current liabilities shall not be limited to, or by, any amount previously specified or agreed within the Debtor's Plan as representing the extent to which the Claims of the IRS are secured.

11.13.2 The period allowed to the IRS under I.R.C. § 6502(a) to collect the assessed taxes, interest, penalties, and any other additions thereon, which are still owed by the Debtor after the Plan Effective Date shall be suspended for the period of time that payment of the IRS tax debts is made according to this Plan, unless and until a default of these payments shall occur, and for six (6) months thereafter in accordance with I.R.C. § 6503(h)(2). A default regarding payments shall have occurred when a payment of the tax debt required by this Plan has not been timely made, the IRS has provided the Debtor with written notice of the default, and the Debtor has failed to cure the default within thirty (30) days of the IRS mailing written notice of default to the Debtor.

11.14. Setoff and Recoupment Rights. Except as specifically provided in the Plan, no Person shall retain any contractual or statutory right to set off or recoup any Asset in which the Debtor has an interest in satisfaction of that Claimant's prepetition Claim. Any right to set off or recoup a Claim against an Asset of the Debtor that is not specifically retained is waived and forever barred; provided, however, that if the Reorganized Debtor should fail to comply with the terms of any confirmed Chapter 11 plan, nothing herein shall be deemed to prohibit a Creditor's right to recoup its collateral by self-help or any other rights available to it pursuant to state law. Furthermore, no provision herein shall be construed to be a waiver or bar of any right of setoff the IRS may have under 11 U.S.C. § 553 or Title 26 of the United States Code.

11.15. No Admissions or Waivers. Neither the filing of this Plan (as may be modified or amended), the taking of any action by the Debtor or a Creditor with respect to the Plan, nor any Disclosure herein, shall be deemed an admission or waiver of any of the Debtor's rights or defenses. In the event Confirmation does not occur or the Plan does not become effective, no statement contained herein may be used or relied on in any manner as against the Debtor in any suit, action, proceeding, or controversy within or outside of the Bankruptcy Case. The Chapter 11 Trustee further reserves any and all of its rights against all Persons in the event the Plan is not confirmed or does not become effective.

**ARTICLE XII.
RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain jurisdiction of this Bankruptcy Case after Confirmation of the Plan with respect to the following matters:

12.1. To hear and determine all controversies relating to or concerning the classification or allowance of Claims, including disputed, contingent, or unliquidated Claims.

12.2. To determine and fix all Claims arising from the rejection of any executory contracts or leases.

12.3. To hear any pending motions for rejection, assumption, or assignment of any executory contract or lease and to fix and determine any amounts alleged due and owing thereunder in order to cure defaults.

12.4. To enable the Plan Administrator to consummate any and all proceedings to set aside Liens or encumbrances, to pursue Causes of Action, to recover any Avoidance Actions, Assets, or damages to which the Debtor may be entitled under applicable provisions of the Bankruptcy Code or other federal, state, or local law.

12.5. To recover all Assets and properties of the Debtor, wherever located.

12.6. To permit amendments to the Schedules.

12.7. To make such orders as are necessary or appropriate to carry out the provisions of this Plan.

12.8. To modify this Plan pursuant to the Bankruptcy Code and the Bankruptcy Rules.

12.9. To hear any matters regarding interpretation, implementation, or consummation of the Plan and to correct any defect, cure any omission, or reconcile any inconsistency in this Plan or the Confirmation Order.

12.10. To decide issues concerning federal tax liability, reporting, and withholding that may arise in connection with the Confirmation or consummation of this Plan.

12.11. To enter a final decree closing this Bankruptcy Case.

Respectfully submitted,

ASTHMA AND ALLERGY CENTER,
LLC

By: /s/ Adam M. Back
*Chapter 11 Trustee for Debtor,
Asthma and Allergy Center, LLC*

Dated: June 26, 2018

Tendered by:

STOLL KEENON OGDEN PLLC

/s/ Jessica L. Middendorf
Jessica L. Middendorf
300 West Vine Street, Suite 2100
Lexington, KY 40507
Phone: (859) 231-3000
Fax: (859) 246-3622
Email: jessica.middendorf@skofirm.com
Counsel to the Chapter 11 Trustee

Dated: June 26, 2018

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**ASTHMA AND ALLERGY CENTER, LLC
PLAN DEFINITIONS**

1. “Administrative Claim” shall mean any Claim that is defined in 11 U.S.C. § 503(b) as being an “administrative expense” and granted priority under 11 U.S.C. § 507(a)(1) and including: (i) a Claim for any cost or expense of administration in connection with the Bankruptcy Case, including, without limitation, any actual, necessary cost or expense of preserving the Debtor’s Estate and of operating the business of the Debtor incurred on or before the Effective Date; and (ii) all fees and charges assessed against the Debtor’s Estate under Chapter 123 of Title 28 of the United States Code.
2. “Affiliates” and/or “Affiliated Debtors” shall mean the Debtor’s related and/or affiliated entities who each also filed their own Chapter 11 bankruptcy petitions, which cases were jointly administered for procedural purposes under the lead case of Debtor Red River Healthcare, LLC (Case No. 15-51438): Aaron K. Jonan Memorial Clinic, Inc. (Case No. 15-51439), Asthma and Allergy Center, LLC (Case No. 15-70469), Pediatric Associates of Pikeville, LLC (Case No. 15-70470), Red River Healthcare, LLC (Case No. 15-51438), and Salyersville Medical Center, LLC (Case No. 15-70818).
3. “Allowed Administrative Claim” shall mean an Administrative Claim for which the Bankruptcy Court has entered a Final Order allowing such Claim as an Administrative Claim provided that a request for payment of an Administrative Claim is filed with the Bankruptcy Court prior to thirty (30) days after the Effective Date of the Plan.
4. “Allowed Claim” shall mean (a) a Claim which has been scheduled by the Debtor as undisputed, and as to which Claim no objection has been made within the time allowed for the making of objections, (b) a Claim allowed by a Final Order, (c) a Claim as to which a timely and proper proof of claim or application for payment has been filed, and as to which proof of claim or application for payment no objection has been made within the time allowed for the making of objections or (d) a Claim allowed under the Plan, notwithstanding any objection filed thereto. Interest accrued after the Petition Date of the Bankruptcy Case shall not be part of any Allowed Claim against the Debtor, except as required under the Plan or permitted by law.
5. “Assets” shall mean, with respect to the Debtor, all of the right, title and interest in and to property of whatsoever type or nature, owned by the Debtor, as of the Effective Date, as well as the proceeds, products, rents and profits from all of the foregoing. Assets include, but are not limited to, property as defined in 11 U.S.C. § 541 (each identified item of property being herein sometimes referred to as an Asset).
6. “Avoidance Actions” shall mean any Claims of the Debtor to avoid transfers or to recover money or property pursuant to 11 U.S.C. §§ 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 or 553, including applicable state law Claims.
7. “Bankruptcy Case” shall mean as to the Debtor its case under Chapter 11 of the Bankruptcy Code.

8. “Bankruptcy Code” or “Code” shall mean the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq., as in effect from time to time.
9. “Bankruptcy Court” or “Court” shall mean the United States Bankruptcy Court for the Eastern District of Kentucky.
10. “Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure and Interim Bankruptcy Rules applicable to cases pending before the Bankruptcy Court and local rules applicable to cases pending before the Bankruptcy Court (“Local Rules”), as the same may from time to time be in effect and applicable to proceedings under the Plan.
11. “Business Day” shall mean a day other than a Saturday, Sunday or other day on which national commercial banks are authorized or required by law to close.
12. “Causes of Action” shall mean all of the Debtor’s and Estate’s Claims and rights, both in law and in equity, including but not limited to, any and all Claims, demands, damages, actions, Causes of Action and expenses of any nature or kind, which the Debtor and its Estate has, may have, has asserted.
13. “Claim” shall mean (a) a right to payment, setoff or recoupment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract Claims), disputed, undisputed, legal, equitable, secured, or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, setoff or recoupment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract Claims), disputed, undisputed, secured or unsecured.
14. “Confirmation” shall mean confirmation of the Plan pursuant to 11 U.S.C. § 1129, which shall occur upon entry of the Confirmation Order.
15. “Confirmation Date” shall mean the date on which the Bankruptcy Court enters the Confirmation Order.
16. “Confirmation Hearing” shall mean the Bankruptcy Court’s Hearing under 11 U.S.C. § 1128 and Fed. R. Bankr. P. 3020(b) on confirmation of the Plan.
17. “Confirmation Order” shall mean the Order of the Bankruptcy Court confirming the Plan with such modifications as may be agreed to or approved prior to the Effective Date by the Debtor.
18. “Creditor” shall mean the owner or holder of a Claim.
19. “Debtor” shall mean Asthma and Allergy Center, LLC.
20. “Deficiency Claim” shall mean an Allowed Claim of a Creditor, equal to the amount by which the aggregate Allowed Claim of such Creditor exceeds the sum of (a) any setoff rights of the Creditor permitted under 11 U.S.C. § 553 plus (b) the Secured Claim of such Creditor.

21. “Disallowed Claim” shall mean a Claim, or any portion thereof, that has (a) been disallowed by a Final Order; (b) withdrawn by a Creditor; (c) been scheduled as contingent, disputed, or unliquidated, and as to which no proof of claim has been timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court; or (d) not otherwise deemed timely filed under applicable law or the provisions of a confirmed Plan.

22. “Disclosures” shall mean the provisions of Article I of the Plan and other provisions labeled “Disclosure” marked in the text of the Plan.

23. “Effective Date” shall mean fifteen (15) Days from the date of the Confirmation Order, unless the Confirmation Order is stayed pending appeal, or if a stay of the Confirmation Order is in effect, then the first Business Day after the stay is vacated, or as soon thereafter as is practicable.

24. “Final Order” shall mean an order or judgment of a court which (a) shall not have been reversed, stayed, modified or amended and the time to appeal from, or to seek review or rehearing of, shall have expired and as to which no appeal or petition for review, rehearing, or certiorari is pending, or (b) if appealed from, shall have been affirmed and no further hearing, appeal, or Petition for Certiorari can be taken or granted.

25. “Impaired” shall mean any class of Claims that is impaired within the meaning of 11 U.S.C. § 1124.

26. “Lien” shall have the meaning assigned to it in 11 U.S.C. § 101(37).

27. “Person” shall mean any individual, corporation, limited liability corporation or partnership, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, governmental unit or any political subdivision thereof or other entity.

28. “Petition Date” shall mean July 21, 2015 being the date of the filing of the voluntary Petition for relief by the Debtor under the Bankruptcy Code.

29. “Plan” shall mean this Plan proposed by the Debtor, excluding the Disclosures, and filed in this Bankruptcy Case and as it may be further amended, modified or supplemented from time to time as provided therein.

30. “Priority Claim” shall mean a Claim entitled to priority pursuant to 11 U.S.C. § 507(a)(4) or (5).

31. “Professional Claims/Fees” shall mean the allowances made by the Court to the Professionals, each of which allowance shall be an Administrative Claim.

32. “Professionals” shall mean SKO in its capacity as counsel for the Chapter 11 Trustee; DelCotto in its capacity as counsel for the Debtor; and all attorneys, accountants, appraisers, examiners, consultants, and other professional Persons properly retained by the Debtor and/or Chapter 11 Trustee and approved by the Court under the Code who performed professional

services for or on behalf of the Chapter 11 Trustee and/or the Debtor, from the Petition Date through and including the Confirmation Date, whose services and expenses are allowable by the Court under 11 U.S.C. § 330.

33. “Pro rata” shall mean ratable payment, without preference.

34. “Schedules” shall mean those Schedules and statements of financial affairs filed by the Debtor under Fed. R. Bankr. P. 1007, as same may be amended from time to time.

35. “Secured Claim” shall mean (a) a Claim secured by a Lien on property of the Debtor, which Lien is valid, superior, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or other applicable non-bankruptcy law, and which is duly established in the Debtor’s Bankruptcy Case, but only to the extent that such Claim does not exceed the value of the Debtor’s Assets which the Bankruptcy Court finds are valid collateral for such Claim (except, if the class of which such Claim is a part makes the election provided for in 11 U.S.C. § 1111(b)(2), the entire amount of the Claim shall be a Secured Claim) and (b) a Claim allowed under the Plan as a Secured Claim.

36. “Secured Creditor” shall mean the owner or holder of a Secured Claim.

37. “Tax Claims” shall mean Claims of any Person for the payment of taxes (a) accorded priority pursuant to 11 U.S.C. §§ 507(a)(1) and (8), or (b) those secured by valid Liens on Assets of the Debtor as of the Confirmation Date.

38. “Tax Creditor” shall mean the holder of a Tax Claim.

39. “Unsecured Claims” shall mean all Claims held by Creditors of the Debtor, including Deficiency Claims and Claims arising out of the rejection of executory contracts, other than Secured Claims, Administrative Claims, Priority Claims, and Tax Claims.

40. “Unsecured Creditor” shall mean the owner or holder of an Unsecured Claim.

Asthma and Allergy Center, LLC
EXHIBIT 1 – Yearly Financial Projections

ALL DEBTORS COMBINED SUMMARY PROJECTIONS					
<i>(Based on August 31, 2018 Effective Date and first Plan Payment in September 2018)</i>					
	2018	2019	2020	2021	2022
AKJMC					
Total Revenue	\$783,791.84	\$935,304.14	\$945,572.59	\$959,097.20	\$975,877.96
Total Expenses	\$641,368.25	\$683,030.01	\$673,846.26	\$663,923.78	\$670,037.62
Net Profit/Loss	\$142,423.59	\$252,274.13	\$271,726.33	\$295,173.42	\$305,840.34
AAC					
Total Revenue	\$1,404,430.88	\$1,380,385.20	\$1,404,316.68	\$1,433,225.33	\$1,468,111.14
Total Expenses	\$1,168,339.37	\$1,285,158.12	\$1,277,074.48	\$1,261,264.43	\$1,268,500.48
Net Profit/Loss	\$236,091.51	\$95,227.08	\$127,242.20	\$171,960.90	\$199,610.66
PP					
Total Revenue	\$1,038,939.77	\$1,077,229.58	\$1,093,914.28	\$1,115,893.89	\$1,140,868.42
Total Expenses	\$1,049,510.70	\$1,081,429.00	\$1,073,476.26	\$1,078,253.24	\$1,085,622.82
Net Profit/Loss	-\$10,570.93	-\$4,199.42	\$20,438.02	\$37,640.65	\$55,245.60
RRH					
Total Revenue	\$1,048,651.12	\$1,163,072.35	\$1,179,204.20	\$1,201,046.68	\$1,226,599.77
Total Expenses	\$1,006,680.43	\$1,094,158.18	\$1,085,231.72	\$1,071,757.30	\$1,078,133.60
Net Profit/Loss	\$41,970.69	\$68,914.17	\$93,972.48	\$129,289.38	\$148,466.17
SMC					
Total Revenue	\$538,112.30	\$582,341.38	\$590,684.97	\$602,743.20	\$615,315.91
Total Expenses	\$548,011.64	\$593,187.07	\$585,001.32	\$574,620.48	\$580,035.54
Net Profit/Loss	-\$9,899.34	-\$10,845.69	\$5,683.65	\$28,122.72	\$35,280.37
TOTAL NET PROFIT ACROSS ALL DEBTORS	\$400,015.52	\$401,370.27	\$519,062.68	\$662,187.07	\$744,443.14

AAC Revenue and Expense Projection					
	2018	2019	2020	2021	2022
Base Revenue	\$1,195,432.37	\$1,195,432.37	\$1,195,432.37	\$1,195,432.37	\$1,195,432.37
Increase from Patient Volume	\$71,725.94	\$83,680.26	\$95,634.58	\$119,543.23	\$143,451.88
Increase from QPP	\$11,954.32	\$11,954.32	\$17,931.48	\$17,931.48	\$23,908.64
Decrease from Integrated Care Model		-\$36,000.00	-\$30,000.00	-\$25,000.00	-\$20,000.00
Other (MIT)	\$125,318.25	\$125,318.25	\$125,318.25	\$125,318.25	\$125,318.25
Total Revenue	\$1,404,430.88	\$1,380,385.20	\$1,404,316.68	\$1,433,225.33	\$1,468,111.14
Wages	\$627,971.70	\$632,131.70	\$636,291.70	\$640,451.70	\$644,611.70
Benefits	\$118,237.82	\$119,420.19	\$120,614.40	\$121,820.54	\$123,038.75
Payroll Taxes	\$60,776.07	\$61,383.83	\$61,997.67	\$62,617.64	\$63,243.82
Total Wages	\$806,985.59	\$812,935.72	\$818,903.77	\$824,889.88	\$830,894.27
Computer Maintenance	\$42,463.79	\$42,463.79	\$42,463.79	\$30,000.00	\$30,000.00
Supplies	\$76,627.74	\$77,394.01	\$78,167.95	\$78,949.63	\$79,739.13
Facilities	\$103,592.81	\$103,592.81	\$103,592.81	\$103,592.81	\$103,592.81
Tele Com	\$37,992.05	\$37,992.05	\$37,992.05	\$37,992.05	\$37,992.05
Admin. Allocation Acc.					
Total	\$260,676.39	\$261,442.66	\$262,216.60	\$250,534.49	\$251,323.99
Other Expenses	\$22,915.79	-\$16,655.06	-\$16,221.61	-\$15,783.82	-\$15,341.66
U.S. Trustee fees*	\$1,950.00				
Distribution to equity holders	\$2,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
Total	\$26,865.79	-\$10,655.06	-\$10,221.61	-\$9,783.82	-\$9,341.66
Creditor Payments:					
IRS secured	\$11,716.00	\$35,148.00	\$35,148.00	\$35,148.00	\$35,148.00
IRS priority	\$34,975.72	\$104,927.16	\$104,927.16	\$104,927.16	\$104,927.16
KY DOR	\$15,945.12	\$47,835.36	\$47,835.36	\$47,835.36	\$47,835.36
KY Division of Unemployment	\$26.16	\$78.48	\$78.48	\$78.48	\$78.48
City of Pikeville	\$2,406.80	\$7,220.40	\$7,220.40	\$7,220.40	\$7,220.40
Pikeville Ind. Schools	\$138.16	\$414.48	\$414.48	\$414.48	\$414.48
Professional Fees (1st 18 mos)	\$4,436.96	\$13,310.88	\$2,218.48		
Chapter 11 Trustee Fees (1st 24 mos)	\$4,166.68	\$12,500.04	\$8,333.36		
Total	\$73,811.60	\$221,434.80	\$206,175.72	\$195,623.88	\$195,623.88
Total Expense	\$1,168,339.37	\$1,285,158.12	\$1,277,074.48	\$1,261,264.43	\$1,268,500.48
Profit/Loss	\$236,091.51	\$95,227.08	\$127,242.20	\$171,960.90	\$199,610.66
*The Chapter 11 Trustee anticipates moving to close the case the first quarter after confirmation.					

Asthma and Allergy Center, LLC
EXHIBIT 2 – Liquidation Analysis

Asset	Petition Value	Liquidation Value
Community Trust Bank acct. #6741	\$9,759.46	\$9,759.46
US Bank checking acct. #5351	\$2,472.34	\$2,472.34
Accounts receivable; estimated \$160,000 is not collectible	\$360,000.00	\$200,000.00
Website	\$0.00	\$0.00
Total liquidation value	\$372,231.80	\$212,231.80

Amount available for distribution to Unsecured Creditors pursuant to Chapter 7 liquidation ¹	\$0.00
Amount projected to pay to Unsecured Creditors pursuant to Plan ²	\$770,755.83

¹ As Secured and Priority Claims exceed liquidation value, there would be no return.

² The projected pool to Allowed Unsecured Creditors could be as high as \$770,755.83.

Asthma and Allergy Center, LLC
EXHIBIT 3 – UNSECURED CLAIMS

Creditor Name	Schedule F Amount	POC No.	POC Amount	*Estimated Allowed Amount
Accredo Health Grp, Inc.	\$72,355.48			\$72,355.48
AT&T	\$26,786.08			\$26,786.08
AT&T Mobility	\$250.64			\$250.64
Berry	\$756.04			\$756.04
Big Sandy HVAC	\$140.95			\$140.95
Caleb Cooley	\$48,519.50			\$48,519.50
Centers for Medicare & Medicaid Svc.	\$0.00			\$0.00
City of Pikeville		3	\$33,614.00	\$33,614.00
Columbia Gas	\$33.35			\$33.35
Crowell Systems	\$2,303.60			\$2,303.60
Daniel Stratton	\$0.00			\$0.00
Eastern Tele and Tech	\$212.00			\$212.00
Eastern Telephone	\$670.30			\$670.30
Estates of Homer & Mary Short	\$31,500.00			\$31,500.00
Fowler Measle & Bell PLLC	\$2,622.36			\$2,622.36
Hazard Village Spe, LLC	Unknown			\$0.00
IRS		1		\$222,991.75
Jonathan P. Collins	Notice Only			\$0.00
Karnes Properties	\$36,000.00			\$36,000.00
Kentucky Medicaid	\$0.00			\$0.00
KY Dept of Revenue				\$118,519.89
Laboratory Corporation		2	\$1,588.95	\$1,588.95
Physician Sales & Service	\$1,000.00			\$1,000.00
Pinnacle Publishing	\$61.80			\$61.80
Pitney Bowes Inc.	\$9,076.86			\$9,076.86
Roger's Self-Storage	\$9,359.68			\$9,359.68
Siemens Healthcare Diagnostics	\$7,887.13			\$7,887.13
Solutions	\$2,960.00			\$2,960.00
TOTAL:	\$252,495.77			\$629,210.36
*The Debtor does not warrant that these amounts will be the actual allowed amounts, as the Debtor may object to any Claim as set forth in the Plan.				

Asthma and Allergy Center, LLC
EXHIBIT 4 - LIST OF ASSUMED CONTRACTS

AARP United Healthcare
PO Box 740819
Atlanta, GA 30374-0819
healthcare provider contract

Champ VA
PO Box 469064
Denver, CO 80246-9064
healthcare provider contract

ACS/Globalca
PO Box 247
Alpharetta, GA 30009
healthcare provider contract

Cigna
PO Box 182223
Chattanooga, TN 37422-7223
healthcare provider contract

Aetna
PO Box 981106
El Paso, TX 79998-1106
healthcare provider contract

Cigna – Health Plan
PO Box 188006
Chattanooga, TN 37422-8006
healthcare provider contract

AGP VA LLC
P.O. Box 5446
Richmond, VA 23220-0446
healthcare provider contract

Cigna GBS Medicare
1 Cameron Hill Cir. Ste. 0061
Chattanooga, TN 37402-0061
healthcare provider contract

Anthem BCBS Medicaid
P.O. Box 61010
Virginia Beach, VA 23466
healthcare provider contract

Coventry Care of WV Medicaid
P.O. Box 1711
Charleston, WV 25326
healthcare provider contract

Anthem Blue Cross Blue Shield
PO Box 105187
Atlanta, GA 30348-5187
healthcare provider contract

Coventry Cares of VA Medicaid
P.O. Box 7702
London, KY 40742
healthcare provider contract

Black Lung
P.O. Box 2200
Greensburg, PA 15601
healthcare provider contract

Crowell Systems
Attn: Sally Crowell
4235 South Stream Blvd
Charlotte, NC 28217
billing software contract

Blue Grass Family Health
PO Box 22738
Lexington, KY 40522
healthcare provider contract

Dept of Veteran Affairs
1540 Spring Valley Dr
Huntington, WV 25704
healthcare provider contract

Blue Grass Family Health (Alliance)
PO Box 22295
Lexington, KY 40522
healthcare provider contract

Djien and Leonor Pagtakhan-So
P.O. Box 2229
Pikeville, KY 41502
Debtor is sublessee of nonresidential real property located at
156 Island Creek, Pikeville, KY 41501

Bluegrass Family Health
PO Box 22775
Lexington, KY 40522
healthcare provider contract

Federal Black Lung
PO Box 8302
London, KY 40742-8302
healthcare provider contract

Carelink Coventry WV Medicaid
PO Box 7373
London, KY 40742
healthcare provider contract

First Health – Virginia Medicaid
PO Box 27444
Richmond, VA 23261-7444
healthcare provider contract

FRA Insurance
PO Box 10340
Des Moines, IA 50306
healthcare provider contract

Liberty Mutual
P.O. Box 515099
Los Angeles, CA 90051
healthcare provider contract

Healthcare
P.O. Box 2451
Charleston, WV 25329-2451
healthcare provider contract

LKY Health Cooperative
P.O. Box 9107
Foxboro, MA 02035
healthcare provider contract

Healthscope
P.O. Box 99006
Lubbock, TX 79490
healthcare provider contract

MCA ADM Health Aspects Wellmont
1910 Cochran Road
Pittsburgh, PA 15220
healthcare provider contract

Healthsmart
P.O. Box 2451
Charleston, WV 25329-2451
healthcare provider contract

Medicaid Coventry Care of KY
PO Box 7812
London, KY 40742
healthcare provider contract

Hoover Dawahare Estate
3210 Maria Drive
Lexington, KY 40516
Debtor is lessee of nonresidential real property located at 361
Hwy 119 S., Whitesburg, KY 41858

Medicaid KY Spirit
PO Box 4001
Libertyville, MO 63640-4401
healthcare provider contract

Humana
Humana Gold Choice
PO Box 14601
Lexington, KY 40512-4601
healthcare provider contracts

Medicaid of KY
PO Box 2101
Frankfort, KY 40602
healthcare provider contract

Humana Care Source KY Medicaid
P.O. Box 824
Dayton, OH 45401-0824
healthcare provider contract

Medicaid Wellcare
PO Box 31372
Tampa, FL 33631

Humana Claim
PO Box 14635
Lexington, KY 40512-4635
healthcare provider contract

Medicaid/EDS
P.O. Box 2101
Frankfort, KY 40602
healthcare provider contract

In Total Health
P.O. Box 5446
Richmond, VA 23220
healthcare provider contract

Medical Investment Trust
P.O. Box 2708
Pikeville, KY 41502
Debtor is sublessee of nonresidential real property located at
156 Island Creek, Pikeville, KY 41501.

James H Quillen
PO Box 4000
Mountain Home, TN 37684
healthcare provider contract

Multiplan
P.O. Box 5007
De Pere, WI 54115
healthcare provider contract

Kentucky Access
PO Box 33707
Indianapolis, IN 46203-0707
healthcare provider contract

Mutual of Ohio
PO Box 3608
Omaha, NE 68103
healthcare provider contract

Ky Teacher's Retirement
PO Box 14601
Lexington, KY 40512-4601
healthcare provider contract

National Rural Electric
PO Box Drawer 605
West Liberty, KY 41472
healthcare provider contract

National Telephone Cooperative
30 Town Square Blvd, Ste 300
Asheville, NC 28801
healthcare provider contract

Underwriters
PO Box 23507
Louisville, KY 40223
healthcare provider contract

NTCA Group
1 West Pack Sq. Suite 600
Asheville, NC 28801-3457
healthcare provider contract

Unicare
P.O. Box 91
Charleston, WV 25321-0091
healthcare provider contract

Old Republic (Black Lung)
PO Box 2200
Greensburg, PA 15601
healthcare provider contract

United Health Care
PO Box 740800
Atlanta, GA 30374-0800
healthcare provider contract

Passport Health Plans
P.O. Box 7114
London, KY 40742
healthcare provider contract

United Health Care
PO Box 31362
Salt Lake City, UT 84131-0361
healthcare provider contract

PHCS
P.O. Box 6115
De Pere, WI 54115

US Department of Veterans Affairs
2957 Clairmont Road
Suite 200
Atlanta, GA 30329
healthcare provider contract

Tricare for Life
P.O. Box 7889
Madison, WI 53707-7889
healthcare provider contract

VA Premier Health Plan
P.O. Box 5208
Richmond, VA 23220-0446
healthcare provider contract

Tricare for Life
P.O. Box 7890
Madison, WI 53708-7890
healthcare provider contract

Web – TPA
PO Box 53530
Grand Prairie, TX 75053
healthcare provider contract

Tricare Military Region 1
Tricare North Region
PO Box 870140
Surfside Beach, KY 29587-9740
healthcare provider contract

Wells Fargo
PO Box 2451
Charleston, WV 25329
healthcare provider contract

UMR
PO Box 30541
Salt Lake City, UT 84113-0054
healthcare provider contract

Wells Fargo Disability
PO Box 3389
Charleston, WV 25333
healthcare provider contract

UMR
PO Box 826
Onalaska, WI 54650
healthcare provider contract

Wells Fargo TPA
PO Box 22779
Lexington, KY 40522-2779
healthcare provider contract

UMR/Wausau
PO Box 145804
Cincinnati, OH 45250-5804
healthcare provider contract

West Virginia Medicaid
PO Box 3767
Charleston, WV 25337-3767
healthcare provider contract

UMWA
PO Box 99002
Lubbock, TX 79490
healthcare provider contract