

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION

In Re:
WI-JON, INC.
Debtors

CHAPTER 11
CASE NO. 17-80522
JOINTLY ADMINISTERED

WI-JON, INC.
SECOND AMENDED PLAN OF REORGANIZATION

Dated May 21, 2018

Wi-Jon, Inc., Case No. 17-80522, (the “debtor”) hereby presents and proposes its second amended plan of reorganization.

ARTICLE I.
DIVISION OF CLAIMS INTO CLASES

1. **Class 1.** Included in this class are all costs of administration in this case entitled to a priority claim pursuant to 11 U.S.C. §507(a)(2).
2. **Class 2.** Included in this class are all allowed unsecured claims entitled to a priority pursuant to 11 U.S.C. §507(a) other than those specified in Class 1, which includes any income, sales and payroll tax liabilities owed to the Internal Revenue Service (“IRS”) or the Louisiana Department of Revenue (“LDR”).
3. **Class 3.** Included in this class are the claims of Centric Federal Credit Union, et al (“Centric”), which was owed approximately \$4,630,000.00 secured by a first lien on all of the debtor’s assets.
4. **Class 4.** Included in this class are allowed unsecured claims without priority.
5. **Class 5.** Included in this class are the allowed unsecured net intercompany claims between the debtor and its affiliated corporations, Ford Fine Foods, Inc., (“FFF”), Case No. 17-80523, and Ford Holdings, Inc., Case No. 17-80524, (“FH”), both in Chapter 11 cases before the United States Bankruptcy Court, Western District, Alexandria Division.
6. **Class 6.** Included in this class are the allowed unsecured and ownership claims of Quinon Ford (“Ford”).

ARTICLE II.
SPECIFICATION OF ALL CLAIMS NOT IMPAIRED UNDER PLAN

The classes of claims not impaired under the plan are as follows:
Class 1, Administrative Claims; and
Class 2, Unsecured Priority Claims.

**ARTICLE III.
GENERAL PROVISIONS OF THE PLAN
AND
PROVISIONS FOR ALTERING OR MODIFYING RIGHTS OF CREDITORS**

A. General Provisions

1. Basic Premise

The basic premises of this plan are that the debtor:

a. shall liquidate its Wisner Properties (as defined below) and pay the proceeds of said liquidation to Centric to reduce the obligations to Centric; and

b. will retain all of its other assets and continue its operations so that it may pay its creditors in full under the terms of this plan.

2. Satisfaction of Secured Claims

a. Pursuant to the specific provisions herein, only certain liens on the debtor's property shall be retained and restructured. All liens not specifically retained shall be extinguished and canceled from the public records.

b. Confirmation of this plan shall embody a finding of fact and conclusion of law that all claims secured by liens on retained assets not specifically provided for herein shall be treated as unsecured claims herein.

c. Confirmation of this plan shall embody a finding of fact and conclusion of law that any liens against the debtor's property will be as specified herein, with any and all other liens being cancelled.

2. Satisfaction of Unsecured Claims

a. Unsecured creditors shall receive treatment and satisfaction pursuant to the specific provisions below.

b. Unsecured creditors shall retain no interest in any property retained by the debtor.

B. Specific Treatment of Claims

1. Class 1. Administrative costs incurred prior to confirmation will be paid in cash and in full from the earnings and assets of the estate upon allowance by the Court. All administrative costs incurred after confirmation will be paid by the debtor in the ordinary course of business and shall not be subject to review or approval by this Court.

2. Class 2.

a. The only claims in this class shall be allowed claims entitled to priority under 11 U.S.C. §507(a). The debtor believes that should be no claims in this class since it has been paying its tax liabilities as they come due. However, LDR has filed a proof of claim for approximately \$2,300.00 which has been included in the estimated plan payments. This claim is subject to an objection to the same.

b. Allowed priority tax claims in this class shall be paid in full over a five (5) year period from filing of this case by amortizing said claims over the remaining term from confirmation. Interest shall accrue on the LDR claims at the rate provided by La. R.S. §1601(A)(2)(a)(v) (which is set for 2017 at seven (7%) per cent per annum) and for the Internal Revenue Service claims as provided by the Bankruptcy Code and IRS (currently at 4% per annum).

d. The debtor shall make monthly payments to creditors in this class, with the first monthly payment beginning on the 15th day of the third month after confirmation.

e. Any claims of creditors not included within this class as described in subparagraph a above shall be deemed to be unsecured, non-priority claims and shall be relegated to the unsecured class for treatment, satisfaction and payment.

g. If a creditor in this class file no proof of claim and if such claim is listed in Schedule E as contingent, unliquidated or disputed, creditors who may have been entitled to unsecured, priority, non-dischargeable claims shall be deemed to have no claims whatsoever, whether or not the same may be deemed non-dischargeable under Federal or state laws, with any such claim being discharged, extinguished and expunged.

3. Class 3.

a. Centric Claims:

1) The only claims in this class are those of Centric, which shall retain its liens and securities and its rights against co-obligors and guarantors until satisfied in full, other than as modified in the General Provisions below.

2) The Centric claim is represented by two (2) notes. The first is for approximately \$4,455,000.00 and is a debt the ownership of which is participated in by a number of other federal credit unions (the "Large Note"). The second is for approximately \$106,640.00, which is a direct loan from Centric to the debtor (the "Small Note").

3) Both notes shall be re-amortized under the provisions below; however, the debtor shall make separate, pro rata payments to Centric on each note.

b. Sale of Wisner Properties:

1) The debtor shall liquidate its Wisner grocery store building and related immovables ("WGS"), the WGS furniture, fixtures and equipment ("WGS FF&E") and its Wisner Dollar General Store and related immovables (the "WDGS") (altogether, the "Wisner Properties"). The net sales proceeds thereof shall be applied against Large Note to be applied first to accrued interest and then to principal. The debtor estimates that the Large Note will be reduced by at least \$1,000,000.00 if all properties are sold after all sales proceeds, commissions and costs are paid.

2) After confirmation, the debtor shall continue to list the Wisner Properties real estate with the real estate agent and under the terms and conditions previously approved by this Court in its *Order Allowing Employment of Agent to Sell or Lease Wisner Properties* entered on December 19, 2017 at Docket #149. At any time after confirmation, the debtor and Centric may, by mutual agreement, choose another realtor, set the terms of the sale and approve the costs of the same.

3) If the Wisner Properties or any portion thereof are not sold within one (1) year after confirmation, the debtor shall have the sole right to sell any remaining property, retain any sales agent and set the terms and conditions thereof.

4) Within thirty (30) days of confirmation, the debtor and Centric must agree upon a broker to sell the WGS FF&E and the terms and conditions of any sale or auction of the same. Should the parties not agree within said time, the debtor may choose the broker and set the terms and conditions of any sale or auction.

5) Centric shall retain the right to refuse to release its liens against the WGS, the WDGS or any WGS FF&E sold at private sale to be sold if it finds that the net sales price is insufficient. However, if the WGS FF&E is sold at auction, Centric shall release its liens upon said property.

c. Re-amortization of Centric Claims:
1) Interest shall accrue on this claim as provided in the current debt instruments of 5.44 % per annum.
2) The term of the re-amortization shall be 19.15 years.
3) Upon confirmation, the plan payments shall be set at \$32,000.00 per month until reduced by the terms below to be split pro rata between the Large Note and the Small Note.
4) Upon the sale of any of the collateral from the Wisner properties, the net sales proceeds shall be applied to the Large Note and the remaining balance thereof shall then be re-amortized over the remaining portion of the term.

d. Reduction in Monthly Payments Due to Sales:
1) The events that shall cause the re-amortization provided above shall be as follows:

i. The sale of the WDGS;
ii. The sale of the WGS; or
iii. The sale or auction of the WGS FF&E.
2) Upon the sale of any of said properties, the monthly payment on the Large Note shall be reduced on a pro rata basis to the reduction in principal.

e. Co-obligors:
1) FFF is the co-obligor on the Centric debt. The debtor and FFF shall be liable for the Centric claims and payments to Centric under this plan. As between the debtor and FFF for the purposes of allocating the portion of the monthly payment to Centric to be made by each, the debtor shall pay eighty (80%) per cent and FFF shall pay twenty (20%) percent. However, should either the debtor or FFF be unable to make its portion of any monthly payment, the other shall be responsible for making the same.

2) Ford is a co-obligor and guarantor on the Centric debt. So long as the debtor and FFF make the monthly debt service under this plan, Centric shall forbear from collecting against Ford.

4. **Class 4.** The only claims in this class are allowed unsecured creditors without priority and any allowed claims of creditors not included or satisfied pursuant to the provisions above. These claims shall be paid in full by amortizing said claims in quarterly payments over a five (5) year period together with two (2%) per cent interest from confirmation. The first payment shall be due on the 15th day of the fourth (4th) month after confirmation. The debtor has scheduled said claims in the amount of \$279,700.00 and payments on said claims would be approximately \$4,900.00 per month to be paid quarterly.

5. **Class 5.** The only claims in this class are the allowed unsecured net intercompany claims between the debtor and its affiliated corporations, FFF and FH. These claims shall be subordinated to all claims in Classes 1 – 4 and shall be paid by the debtor only after all said classes are paid in full.

6. **Class 6.** The only claims in this class are the allowed unsecured and ownership claims of Ford. These allowed unsecured claims shall be subordinated to all claims in Classes 1 – 5 and shall be paid by the debtor only after all said classes are paid in full. Ford shall retain his ownership interests in the debtor.

ARTICLE V.

ESTIMATED PLAN PAYMENTS

The debtor has estimated its monthly payments under this plan. A table of said payments is attached hereto and made a part hereof.

ARTICLE VI. POST-CONFIRMATION LITIGATION

The debtor has no pending pre-petition or post-petition litigation or claims against third parties. The debtor reserves the right to object to any proof of claim filed in this case, specifically including the claims of Centric, the IRS and the LDR.

ARTICLE VII. LIQUIDATION ANALYSIS

The debtor's assets were scheduled at \$8,351,000.00. Centric was scheduled as a secured creditor owed \$4,400,000.00. The unsecured debt was scheduled at \$279,700.00. However, the Centric debt is also secured by all assets of FFF scheduled at \$2,347,000.00. The debtor believes that Centric would be paid in full had this case been filed as a Chapter 7 bankruptcy and will be paid in full under this Chapter 11 plan. However, considering the substantial claims of Centric in a Chapter 7 liquidation, it is believed that unsecured and subordinated creditors would receive little or nothing on their claims had this case been filed as a Chapter 7, but will be paid in full under this plan.

ARTICLE VIII. MEANS OF IMPELEMENTING PLAN AND FEASIBILITY

Given the operations under the administration of this case and historical financial data, the debtor has recast its pro forma income and expense and cash flow statements for the coming months to show feasibility of this plan. Said pro forma is attached hereto. The debtor submits that with its current cash position and future earnings it will be able to make all payments due under this plan.

ARTICLE IX. MISCELLANEOUS PROVISIONS

1. The debtor will accept all pre-petition executory contracts specified in the schedules of assets and liabilities, will reject any pre-petition executory contract not specified in the schedules of assets and liabilities and will assume any executory contracts entered into by the debtor after this case was filed.

2. During the term of this plan and prior to closure of this case, the Court shall retain jurisdiction to ensure that this plan is carried out and to determine such other matters in connection with this case, including, but not limited to:

- a. Determining all valid liens and claims against the debtors and its property;

b. Allowing the debtor to reserve all rights and powers held by it as a debtor-in-possession, including, but not limited to, enforcing after confirmation any claims or causes of action which exist in the debtor's favor and may not have been previously enforced by the debtor;

c. Settling any disputes between the debtor and its creditors;

d. Continuing jurisdiction, staying enforcement of any claims or liens until consummation of this plan;

e. Entering any necessary orders requiring lien holders, judgment holders mortgage holders and the appropriate Clerk of Court to reduce or erase and cancel liens or mortgages from the conveyance and mortgage records of any parish or county so that there will be no encumbrances on the debtor's property after confirmation other than the claims and liens consistent with this plan; and

f. Retaining such jurisdiction as will insure that the intents and purposes of this plan are fulfilled.

3. All claims and causes of action in favor of the debtor as debtor-in-possession are hereby reserved to be prosecuted after confirmation.

4. Whenever the word "confirmation" is used in this plan, it is intended to mean that date upon which the order confirming this plan entered by this Court becomes final and unappealable.

5. Upon application, notice and hearing and for good cause, the Court may, and reserves jurisdiction to, grant moratoriums and extensions of the payments to creditors in any of the classes set forth in this plan for any reasonable period of time.

6. Notwithstanding anything contained herein, all distributions to classes under this plan will only be made after the creditors in said classes have their claims fully fixed and allowed by the Court and after a final list of creditors for each class is submitted by the debtor to and approved by the Court. However, objections to claims in one class will not preclude distribution to creditors in another class.

7. Interest shall accrue hereunder for allowed secured claims from the date of filing of these cases as per the debt instruments and for all other claims from confirmation.

8. Notwithstanding anything contained herein, the debtor reserves the right to object to and/or defend against any and all claims filed or asserted and security interests claimed by creditors in this case.

9. The debtor may prepay any payments or installments under this plan without penalty.

10. Notwithstanding anything contained herein, if the Court determines that any secured claim should be reduced, the payments under this plan to the secured creditor holding said claim shall be reduced on a pro rata basis. If a purported secured claim or class is determined to be fully unsecured, said claim shall be relegated to the unsecured class and any secured claim and class shall be eliminated and all collateral released. If a purported secured claim is determined to be partially secured, said claim and the payments and installments provided for herein to the creditor holding said claim shall be reduced pro rata based upon the value of the collateral remaining.

11. All security instruments and executory contracts shall be modified to remove the following provisions:

a. Any clause that causes a default based upon any "borrowing base" provision;

b. Any clause that causes a default based upon the "insecurity" of the creditor over the valuation of its collateral;

c. Any clause that causes a default based upon insolvency or the filing of a bankruptcy.

12. The following provisions shall apply to any claims of the IRS and the LDR if any:

a. If the debtor or its successor in interest fails to make any deposits of any currently accruing employment tax liability, fails to make payment of any tax to the IRS or LDR within ten (10) days of the due date of such deposit or payment, or if the debtor or its successor in interest fails to file any required tax return by the due date of such return, then the IRS or the LDR may declare that the debtor is in default of this plan as to their respective claims. Failure to declare a default does not constitute a waiver by the IRS or the LDR of the right to declare that the successor in interest or the debtor is in default.

b. If the IRS or the LDR declares the debtor or his successor in interest to be in default of the debtor's obligations under the plan, then the entire imposed liability of such creditor, together with any unpaid current liabilities, shall become due and payable immediately upon written demand to the debtors or its successor in interest.

c. If full payment is not made within fourteen (14) days of such demand, the IRS or the LDR may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code or Louisiana law.

d. All unpaid priority tax claims remain non-dischargeable after confirmation pursuant to 11 U.S.C. §1141(d)(2), and the debtor and any property of the debtor remain liable for all unpaid priority tax claims after confirmation.

13. Notwithstanding the provisions of 11 U.S.C. §1127(e), upon confirmation of this plan no creditor, any trustee, the United States trustee or any other party in interest may file a plan after confirmation to modify the terms hereof.

14. The debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a)(6). After confirmation, the debtor shall file with the Court and serve upon the U.S. Trustee a monthly financial report for each month (or portion thereof) the case remains open. The report shall be filed and copy served not later than 20 days following the close-out date for such report and shall be in a format prescribed by the U.S. Trustee. Failure to timely pay the required post-confirmation quarterly fees or to timely file and serve the required reports shall constitute grounds under 11 U.S.C. §1112(b) for moving the case for conversion to a case under Chapter 7 of the Bankruptcy Court or for dismissal.

15. Confirmation of this plan shall embody an injunction against all creditors and parties in interest and the commencement or continuation of any action, employment of any process or any act to collect, recover or offset any claim against the debtor or its property retained herein.

RESPECTFULLY SUBMITTED

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RDR/C:/Wi-Jon/Plan/2nd Amended Plan Wi-Jon/

UNITED STATES BANKRUPTCY COURT
 Western District of Louisiana
 Alexandria Division

In Re: Wi-Jon, Inc.

Case No. 17-80522

4/18/18

**Estimated Payments Under
 First Amended Plan of Reorganization**

Class	Creditor	Amount Scheduled	Description/Collateral	Proof of Claim Amount	Plan Terms				
					Amortized Amount	Years	Interest Rate	Centric Monthly Payment	Monthly Payment
Secured & Administrative Classes									
1	Administrative Claims		Paid in full at confirmation = \$50,000						
2	IRS	0.00	Priority claims	0.00	0.00	4.00	4.00		0.00
2	La Dept Rev	0.00	Priority claims	2,326.46	2,326.46	4.00	7.00		55.71
3	Centric FCU	4,400,000.00	All Assets	4,538,000.00					
				Large Note	4,454,500.00	19.15	5.44	31,253.37	25,002.70
				Small Note	106,600.00	19.15	5.44	747.92	598.34
4	Unsecured creditors	<u>279,700.00</u>	Unsecured		<u>279,700.00</u>	5.00	2.00		<u>4,902.51</u>
	Totals	<u><u>4,679,700.00</u></u>			<u><u>4,843,126.46</u></u>			<u><u>32,001.29</u></u>	<u><u>30,559.26</u></u>

SALES	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MERCHANDISE SALES	\$1,209,786.00	\$1,152,855.00	\$1,135,798.00	\$1,257,276.00	\$1,196,615.00	\$1,205,297.00	\$1,152,329.00	\$1,224,132.00	\$1,306,049.00
RETURNS & ALLOWANCES	(\$483.91)	(\$461.14)	(\$454.32)	(\$502.91)	(\$478.65)	(\$482.12)	(\$460.93)	(\$489.65)	(\$522.42)
MISCELLANEOUS INCOME	\$54,440.37	\$51,878.48	\$51,110.91	\$56,577.42	\$53,847.68	\$54,238.37	\$51,854.81	\$55,085.94	\$58,772.21
TOTAL SALES	\$1,263,742.46	\$1,204,272.33	\$1,186,454.59	\$1,313,350.51	\$1,249,984.03	\$1,259,053.25	\$1,203,722.87	\$1,278,728.29	\$1,364,298.79
COST OF GOOD SOLD	\$871,224.05	\$830,225.35	\$817,941.79	\$905,423.84	\$861,738.99	\$867,991.31	\$829,846.55	\$881,555.28	\$940,547.58
TOTAL COST OF GOODS SOLD	\$392,518.41	\$374,046.99	\$368,512.80	\$407,926.67	\$388,245.04	\$391,061.94	\$373,876.32	\$397,173.01	\$423,751.20
GROSS PROFIT	(\$322,507.07)	(\$307,330.30)	(\$302,783.21)	(\$335,167.05)	(\$318,995.92)	(\$321,310.39)	(\$307,190.08)	(\$326,331.46)	(\$348,169.05)
TOTAL OPERATING EXPENSES	\$70,011.33	\$66,716.69	\$65,729.58	\$72,759.62	\$69,249.12	\$69,751.55	\$66,686.25	\$70,841.55	\$75,582.15
OPERATING INCOME (LOSS)	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02	\$282,224.02
OTHER INCOME AND EXPENSE	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)	(\$282,224.02)
MONEY ORDER SALES									
MONEY ORDER PURCHASES									
TOTAL OTHER INCOME AND EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET INCOME	\$70,011.33	\$66,716.69	\$65,729.58	\$72,759.62	\$69,249.12	\$69,751.55	\$66,686.25	\$70,841.55	\$75,582.15
PLUS BEGINNING CASH	\$128,460.66	\$170,471.99	\$209,188.68	\$246,918.26	\$291,677.88	\$332,927.00	\$202,329.12	\$241,015.37	\$283,856.91
Centric Debt Service (80% of Total)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)	(\$28,000.00)
ENDING CASH ON OPERATIONS	\$170,471.99	\$209,188.68	\$246,918.26	\$291,677.88	\$332,927.00	\$374,678.55	\$241,015.37	\$283,856.91	\$331,439.07