

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF MASSACHUSETTS**

**In Re:**

**Michael Brothers,**

**Chapter 11**

**Debtor**

**Case No. 16-41295-CJP**

**DEBTOR'S AMENDED DISCLOSURE STATEMENT**

This Amended Disclosure Statement ("Disclosure Statement") has been prepared by the above Debtor and his counsel. On July 22, 2016 the Debtor, Michael Brothers, filed a voluntary petition seeking relief under Chapter 11. Since that time, Debtor has continued to operate as Debtor-in-Possession under the Bankruptcy Code. The United States Bankruptcy Court has not passed upon the accuracy or content of any of the representations contained in this document. Each creditor or party-in-interest is urged to make a determination upon the Plan of Reorganization dated June 16, 2017 ("Plan"), to which this Disclosure Statement pertains, upon his/her/its own particular interests.

Attachments

Accompanying this Disclosure Statement are copies of:

1. Liquidation Analysis, annexed as Exhibit 1;
2. Statement of Monthly Financial Projections for one year, annexed as Exhibit 2;
3. Statement of Annual Financial Projections for five years, annexed as Exhibit 3; and
4. Statement of Financial Operations, annexed as Exhibit 4.

Purpose of Disclosure Statement

This Disclosure Statement is submitted pursuant to Section 1125 of the Bankruptcy Code for the purpose of Debtor's creditors with adequate information concerning Debtor and the Plan

to enable the creditors to make an informed decision in exercising their right to vote whether to accept or reject the Plan. Further, since the Plan contemplates certain payments to be made by Debtor, this Disclosure Statement is also intended to provide holders of claims against Debtor with adequate information about Debtor to make an informed judgment about the merits of approving the Plan. Capitalized terms used in this Disclosure Statement shall have the meaning assigned to them in the Plan. Terms used that are defined in Section 101 of the Bankruptcy Code shall have the meaning assigned to them in that Section.

No representations concerning Debtor, particularly concerning the value of his properties are authorized by Debtor other than as set forth in this Disclosure Statement. Any representation made to secure acceptance of the Plan which is other than as contained in the Disclosure Statement should not be relied upon by any creditor. Information contained in this Disclosure Statement and the attached exhibits have not been subject to a certified audit. The records kept by Debtor are not warranted or represented to be without any inaccuracy or omission. However, every effort has been made to be accurate and complete.

#### Description and Summary of Plan

Debtor seeks to repay the secured debt on his real estate at 2 Middle Street, Blackstone, MA and pay a dividend to the substantial amount due to unsecured creditors. The Town of Blackstone Water and Sewer Commission has a Secured Claim for water and sewer, the Class I claim, and will be paid in full within 30 days of Confirmation. The Town of Blackstone Tax Collector has a Secured Claim for real estate taxes, the Class II claim, and will be paid in full within 30 days of Confirmation. The General Unsecured Creditors, the Class III claims, will receive a dividend of five percent (5%) paid through monthly dividends commencing on the

Effective Date over a five year period. Navient, has General Unsecured Claims, for student loans which are non-dischargeable, the Class IV claims, which will receive the same dividend of five percent (5%) paid through monthly dividends commencing on the Effective Date over a five year period. However, Debtor reserves the right to pay the amount due the Class III and IV claims in less than five years, if possible, without penalty.

Persons Entitled to Vote on Plan

Holders of impaired Claims may vote to accept or reject the Plan. A Claim is generally deemed impaired under Section 1124 of the Bankruptcy Code when under the Plan of Reorganization it does not retain its full contractual and legal rights. Claim holders in Class I, II, III, and IV are impaired.

Voting and Confirmation

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (1) the Plan has classified claims in a permissible manner; (2) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; (3) the proponent of the Plan has proposed the Plan in good faith; (4) the disclosures concerning the Plan, as required by Chapter 11 of the Bankruptcy Code, have been adequate and have included information concerning all payments made or promised by the Debtor in connection with the Plan; (5) the Plan has been accepted by the requisite votes of creditors; (6) the Plan is “feasible”, meaning there is a reasonable prospect that the Debtor will be able to perform their obligations under the Plan and continue to operate her business without further financial reorganization; and (7) the Plan is in the best interest of all creditors, meaning

that creditors will receive pursuant to the Plan, more than they would receive in a Chapter 7 liquidation.

To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met. Thus, even if the creditors of the Debtor accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings respecting the Plan's feasibility and whether it is in the best interest of Debtor's creditors before it may confirm the Plan. Debtor believes that the Plan fulfills all of the statutory conditions of Section 1129 of the Bankruptcy Code, which are more fully discussed below.

#### Classification of Claims and Interests

The Bankruptcy Code requires that a Plan of Reorganization place each creditor's Claim in a class with other claims that are substantially similar. Debtor believes that the Plan meets the classification requirements of the Bankruptcy Code.

#### Voting

As a condition to confirmation, the Bankruptcy Code requires that at least one impaired class of Claims accept the Plan. The Code defines acceptance of the Plan by a class of Claims as acceptance by holders of two-thirds in dollar amount and a majority in number of Claims of that class, but for that purpose the only ballots counted are those of creditors who actually vote to accept or to reject the Plan and are allowed to vote. Holders of Claims who fail to vote are not counted as either accepting or rejecting the Plan.

Classes of Claims that are not impaired under the Plan are deemed to have accepted the Plan. Classes I, II, III, and IV are impaired and, therefore, not deemed to have accepted the Plan.

Acceptances of the Plan are being solicited only from those persons who hold Allowed Claims that are impaired under the Plan. An Allowed Claim is impaired if the legal, equitable, or contractual rights attaching to the Allowed Claims of the class are modified, other than by curing defaults and reinstating maturity or by payment in full in cash.

Best Interest of Creditors

Notwithstanding acceptance of the Plan as provided for in the Bankruptcy Code by creditors of each class, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan is in the best interest of all classes of creditors impaired by the Plan. The best interest test requires that the Bankruptcy Court find that the Plan provides to each member of each impaired class a recovery, which has a value at least equal to the value of the distribution, which such person would receive if Debtor's assets were liquidated under Chapter 7 of the Bankruptcy Code.

**ARTICLE I: PLAN DEFINITIONS**

ADMINISTRATIVE CLAIM means a Claim for a cost or expense of administration of the Debtor under Sections 503(b) or 507(a)(i) of the United States Bankruptcy Code that is allowed by a final order of the Bankruptcy Court.

ALLOWED CLAIM means (a) if no proof of claim has been filed by the Bar Date or has otherwise been deemed timely filed under applicable law, a Claim that has been listed in the Schedules as other than disputed, contingent or unliquidated and as to which the Debtor has not filed an objection (i) by the Effective Date or (ii) with such other applicable period of limitation as may be fixed by the Plan, the Bankruptcy Code or the Bankruptcy Rules; (b) if a proof of

claim or request for payment of an Administrative Claim has been filed by the claims Bar Date or has otherwise been deemed timely filed under applicable law, a Claim that is not a Disputed Claim; or (c) irrespective of whether a proof of claim or request for payment of an Administrative Claim has been filed by the Claims Bar Date or has otherwise been deemed timely filed under applicable law, a Claim that is allowed: (i) in any stipulation executed by the Debtor and Claimant.

AMERICAN EXPRESS means American Express Centurion Bank, holder of a General Unsecured Claim in Class III.

AVANT means Avant II, LLC, prior holder of the claim listed on Schedule F, now held or serviced by CACH, LLC.

BANK OF AMERICA means Bank of America, holder of a General Unsecured Claim in Class III.

BANKRUPTCY CASE or CASE means the Debtor's bankruptcy case pending the Bankruptcy Court, case number 16-141295-CJP.

BANKRUPTCY CODE means Title 11 of the United States Code, (Bankruptcy Abuse Prevention and Consumer Protection Act – BAPCPA) as is now in effect or subsequently amended.

BANKRUPTCY RULES means the Rules of Bankruptcy Procedure, as amended, and such local rules of the United States Bankruptcy Court for the District of Massachusetts as are applicable.

BAR DATE means the last date for filing proofs of claim and request for payment of administrative expenses against the Debtor, which date has been set by the Bankruptcy Court as January 6, 2017; provided, however, that (i) Administrative Claims arising on or after such date

may be asserted pursuant to the terms of the Plan, and (ii) all Fee Claims may be asserted pursuant to the Plan regardless of whether such Fee Claims arose before or after.

CACH, LLC means CACH, LLC, holder of a General Unsecured Claim in Class III that was acquired from Avant II, LLC and listed on Schedule F as Avant.

CHASE C/O NATIONWIDE CREDIT INC. means Chase care of Nationwide Credit Inc., holder of a General Unsecured Claim in Class III.

CHASE C/O UNITED COLLECTION BUREAU means Chase care of United Collection Bureau, holder of a General Unsecured Claim in Class III.

CLAIM means all claims as defined in section 101(5) of the Bankruptcy Code and includes any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or any right to an equitable remedy for breach of performance if such breach gives rise to a payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

CLAIMANT means any entity holding a Claim against the Debtor.

CONFIRMATION means the signing of the Confirmation Order of this Plan or any Amended Plan by the Bankruptcy Court.

CONFIRMATION DATE means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

CONFIRMATION ORDER means the Order of the Bankruptcy Court confirming the Plan pursuant to the provisions of the Bankruptcy Code, and any supplementary Orders of the Bankruptcy Court issued in furtherance of the Plan.

COURT means the United States Bankruptcy Court for the District of Massachusetts.

DEBTOR means Michael Brothers.

DEFICIENCY CLAIM means the amount by which the total allowed Claim of a creditor exceeds the allowed Secured Claim of such creditor.

DISCLOSURE STATEMENT means the Disclosure Statement relating to the Plan, including without limitation, all exhibits and schedules thereto, in the form approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

DISCOVER means Discover Bank, holder of a General Unsecured Claim in Class III.

DISPUTED UNSECURED CLAIM means, respectively, an Unsecured Claim against the Debtor as to which an objection has been or may be timely filed by any party in interest and which objection, if timely filed, has not been withdrawn on or before any date fixed for filing such objection to the Plan or Order of the Bankruptcy Court, and has not been denied by a Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Disputed Claim only to the extent of the objection. Prior to the time that an objection has been or may be timely filed, or the purposes of this Plan, a Claim shall be considered a disputed claim to the extent that the amount of the Claim specified in the proof of claim exceeds the amount of the Claim scheduled by the Debtor as other than disputed, contingent or unliquidated.

EFFECTIVE DATE means the first business day that is fourteen (14) days after the Confirmation Date and on which date no stay of the Confirmation Order is in effect.

FIA CARD SERVICES means FIA Card Services, holder of a General Unsecured Claim in Class III.

FILING DATE means July 22, 2016.



FINAL ORDER means an order or judgment of the Bankruptcy Court as entered on the docket that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has expired and as to which no appeal, reargument, petition for certiorari, or rehearing is pending or as to which any right to appeal, reargue, petition for certiorari or seek rehearing has been waived in writing in a manner satisfactory to the Debtor, and if an appeal, reargument, petition for certiorari, or rehearing thereof has been sought, the order or judgment of the Bankruptcy Court has been affirmed by the highest court to which the order was appealed or from which the reargument or rehearing was sought, or certiorari has been denied, and the time to take any further appeal or to seek certiorari, or further reargument or rehearing has expired.

GENERAL UNSECURED CLAIM means a Claim that is not a Secured Claim, is not entitled to priority of payment under Section 507 of the Bankruptcy Code, and is not a Claim for an Equity Interest.

IRS means the United States Internal Revenue Service, holder of a General Unsecured Claim in Class III and an unclassified Claim.

MASSACHUSETTS DOR means the Commonwealth of Massachusetts Department of Revenue, holder of a General Unsecured Claim in Class III and an unclassified Claim.

NAVIENT means Navient Solutions, Inc., holder of a General Unsecured Claim in Class IV.

PLAN means the within Plan of Reorganization or any amended Plan of Reorganization which is filed by the Debtor and then confirmed by the Court.

PRIORITY CLAIM means any and all Claims, if any, entitled to priority under Section 507(a) of the Bankruptcy Code other than Administrative Claims.

SCHEDULES means the Schedules of assets and liabilities, the list of holders of interests and the Statements of Financial Affairs filed by the Debtor under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists, and statements have been or may be supplemented or amended from time to time.

SECURED CLAIM means a Claim that is secured with the meaning of section 506(a) of the Bankruptcy Code.

TOWN OF BLACKSTONE WATER AND SEWER DEPARTMENT means the Town of Blackstone, Massachusetts, Water and Sewer Department, holder of a Secured Claim in Class I.

TOWN OF BLACKSTONE TAX COLLECTOR means the Town of Blackstone, Massachusetts, Tax Collector, holder of a Secured Claim in Class II.

UPROMISE means UPromise, holder of a General Unsecured Claim in Class III.

## **ARTICLE II: CLASSIFICATION OF CLAIMS**

Class I: consists of the Secured Claim against the estate by Town of Blackstone Water and Sewer Department on the real estate at 2 Middle Street, Blackstone, MA.

Class II: consists of the Secured Claim against the estate by Town of Blackstone Tax Collector on the real estate at 2 Middle Street, Blackstone, MA.

Class III: consists of the holder of General Unsecured Claims against Debtor, which are American Express, Bank of America, CACH, LLC, Chase c/o Nationwide Credit Inc., Chase c/o United Collection Bureau, Discover, FIA Card Services, IRS, Massachusetts DOR, and UPromise.

Class IV: consists of the holders of non-dischargeable General Unsecured Claims for

student loans against Debtor by Navient.

**ARTICLE III: TREATMENT OF CLASSES OF CLAIMS**

**Class I:** The claim in Class I is impaired. The Town of Blackstone Water and Sewer Department is owed \$118.77 as a secured claim for water and sewer. The Debtor shall pay \$118.77 within 30 days of the Confirmation Date to the Town of Blackstone Water and Sewer Department to pay this claim in full.

**Class II:** The claim in Class II is impaired. The Town of Blackstone Tax Collector is owed \$1,541.40 as a secured claim for ~~water and sewer~~ real estate taxes. The Debtor shall pay \$1,541.40 within 30 days of the Confirmation Date to the Town of Blackstone Tax Collector to pay this claim in full.

**Class III:** The Claims in Class III will be impaired. Each holder of a Class III Claim shall be entitled to vote to accept or reject the Plan on account of the Class III Claim. This class consists of the holders of General Unsecured Claims. These General Unsecured Claims will be paid a dividend of five percent (5%) to be paid within five years of Confirmation. Debtor reserves the right to pay these Claims in less than five years, if possible, without penalty. The members of this class are:

- a. American Express has a Claim for \$2,017.57, per Proof of Claim number 11.
- b. Bank of America has a Claim for \$19,473.00, per Schedule F.
- c. CACH LLC has a Claim for \$5,206.22, per Proof of Claim number 12.
- d. Chase c/o Nationwide Credit Inc. has a Claim for \$35,928.00, per Schedule F.
- e. Chase c/o United Collection Bureau has a Claim for \$13,552.00, per Schedule F.
- f. Discover has a Claim for \$14,795.58, per Proof of Claim number 1.

- g. FIA Card Services has a Claim for \$9,432.00, per Schedule F.
- h. IRS has a Claim for \$2,034.20, per Proof of Claim number 10.
- i. Massachusetts DOR has a Claim for \$113.00, per Proof of Claim number 9.
- j. UPromise has a Claim for \$5,711.00, per Schedule F.

The Claims in this class total \$108,262.57. The five percent (5%) dividend results in a total distribution to this class of \$5,413.13. Debtor shall pay this distribution as follows:

- a. \$1,082.63 to members of this class within one year of Confirmation to be paid monthly at \$90.22;
- b. \$1,082.63 to members of this class between years one and two of Confirmation to be paid monthly at \$90.22;
- c. \$1,082.63 to members of this class between years two and three of Confirmation to be paid monthly at \$90.22;
- d. \$1,082.63 to members of this class between years three and four of Confirmation to be paid monthly at \$90.22; and
- e. \$1,082.63 to members of this class between years four and five of Confirmation to be paid monthly at \$90.22.

Any creditor with a dividend of less than \$300.00 in total may be paid quarterly or in full, not in monthly installments by Debtor.

**Class IV:** The Claims in Class IV will be impaired. Each holder of a Class IV Claim shall be entitled to vote to accept or reject the Plan on account of the Class IV Claim. This class consists of the holders of non-dischargeable General Unsecured Claims held by Navient. These General Unsecured Claims will be paid a dividend of five percent (5%) to be paid within five

years of Confirmation. The Claims held by Navient in this class are:

- a. Proof of Claim number 2 for \$370,593.65;
- b. Proof of Claim number 3 for \$13,244.08;
- c. Proof of Claim number 4 for \$7,755.73;
- d. Proof of Claim number 5 for \$13,734.68;
- e. Proof of Claim number 6 for \$13,443.43;
- f. Proof of Claim number 7 for \$6,617.39; and
- g. Proof of Claim number 8 for \$9,354.89.

The Claims in this class total \$434,743.85. The five percent (5%) dividend results in a total distribution to this class of \$21,737.20. Debtor shall pay this distribution as follows:

- a. \$4,347.44 to members of this class within one year of Confirmation to be paid monthly at \$362.29;
- b. \$4,347.44 to members of this class between years one and two of Confirmation to be paid monthly at \$362.29;
- c. \$4,347.44 to members of this class between years two and three of Confirmation to be paid monthly at \$362.29;
- d. \$4,347.44 to members of this class between years three and four of Confirmation to be paid monthly at \$362.29; and
- e. \$4,347.44 to members of this class between years four and five of Confirmation to be paid monthly at \$362.29.

**ARTICLE IV: TREATMENT OF UNCLASSIFIED CLAIMS**

All Claims for administrative expenses, as that term is defined in 11 U.S.C. 503(b) and 507(a)(1), which are approved by Debtor or allowed by the Court, including such petitions for fees as may be allowed by the Court, shall be paid in full in cash on the Effective Date or such

other time as may be agreed upon by Debtor and the individual administrative Claimant. The administrative expenses to be paid will be fees and expenses awarded to Debtor's counsel and accountant.

As of June 15, 2017, there are no outstanding post-petition taxes owed. Any allowed, pre-petition claims due the Massachusetts DOR and the IRS will be paid as follows:

- a. The IRS, per Proof of Claim number 10, has a Priority Claim for taxes owed of \$22,864.76. This amount will be paid between the Effective Date through July 22, 2021 (i.e., five years from the Filing Date) in equal monthly payments including the appropriate interest per Section 6621 of the Internal Revenue Code. The appropriate interest rate on the Effective Date will apply to this Claim through July 22, 2021, when the claim is paid in full. It is estimated there will be 48 monthly payments on this Claim of approximately \$476.35 plus interest.
- b. The IRS, per Proof of Claim number 10, has a General Unsecured Claim for \$2,034.20. This amount is included in the Class III General Unsecured Claims and paid the same dividend as all other General Unsecured Claims.
- c. Massachusetts DOR, per its Proof of Claim number 9, has a Priority Claim for taxes owed of \$2,078.12. This amount will be paid between the Effective Date through July 22, 2021 (i.e., five years from the Filing Date) in equal monthly payments including the appropriate interest. The appropriate interest rate on the Effective Date will apply to this Claim through July 22, 2021, when the Claim is paid in full. It is estimated there will be 48 monthly payments on this Claim of approximately \$43.30 plus interest.

- d. Massachusetts DOR, per its Proof of Claim number 9, has a General Unsecured Claim for \$113.00. This amount is included in the Class III General Unsecured Claims and paid the same dividend as all other General Unsecured Claims.

**ARTICLE V: MEANS FOR IMPLEMENTATION OF THE PLAN**

This Plan is based on income of Debtor, Michael Brothers, who is self-employed as an attorney. Debtor's wife is a nurse and will be contributing income to pay for the Plan.

Upon Confirmation it is estimated Debtor will need to pay approximately \$9,000.00 for Administrative Claims, \$1,660.17 for the distribution to the Class I and II creditors, \$90.22 for the first monthly distribution to the Class III creditors, and \$362.29 for the first monthly distribution to the Class IV creditors. Debtor has over \$12,500.00 in his Debtor-in-Possession account.

**ARTICLE VI: TREATMENT OF EXECUTORY CONTRACTS**

Debtor is not the lessee of any executory contracts.

**ARTICLE VII: TREATMENT OF ADMINISTRATIVE CLAIMS**

Allowed Administrative Claims shall be paid in full, on the latter of the Plan Confirmation Date or the date they are allowed by an Order of Bankruptcy Court. The payments contemplated by the Plan shall constitute full satisfaction of allowed Administrative Claims. Administrative Claims include any post-petition, unpaid bills or charges incurred in the ordinary course of business and the fees and expenses allowed to professionals.

Debtor believes that certain administrative expenses, including additional legal fees of

approximately \$14,500.00 (less \$5,787.00 Debtor's counsel received as retainer, which included the filing fee, at the outset of his representation), and U.S. Trustee quarterly fees will be paid in full upon the Effective Date. Counsel will be submitting a fee application for the approval of the Court for all of their fees and expenses.

**ARTICLE VIII: RETENTION OF JURISDICTION**

The Court shall retain jurisdiction of this case pursuant to the provisions of Chapter 11 of the Bankruptcy Code in respect to all matters necessary to consummate the case, including, but not limited to, the following matters:

1. To enable the Debtor to consummate any and all proceedings which may be brought to set aside liens or encumbrances, to determine the validity, extent, amount and enforceability of any lien or to recover any preferential transfer, fraudulent conveyance, or claims for damages to which Debtor may be entitled under applicable provisions of the Bankruptcy Code or other federal, state or local statute or ordinance;
2. To adjudicate and decide all controversies concerning the classification, allowance or reconsideration of allowance of any claim or equity security interests including, without limitation, the liquidation of claims in connection with any proofs of claim scheduled by Debtor as disputed, contingent or unliquidated;
3. To adjudicate all claims of security or relative to the ownership interest in any of the property of Debtor or any proceeds thereof;
4. To recover all assets and property of Debtor wherever located;
5. To obtain such other Orders as may be necessary or appropriate to implement the provisions of the Plan.



6. To enter an Order and/or Final Decree concluding this case.

7. To hear and determine any and all objections to the allowance, disallowance, determination, liquidation, classification estimation of any claims or any controversies as to the priority and classification of any claims;

8. To hear and determine any and all applications by professionals for compensation and reimbursement of expenses, authorized pursuant to the Plan or Bankruptcy Code;

9. To hear and determine any and all applications related to the rejection or assumption of executory contracts and unexpired leases to which either Debtor is a party, and to hear, determine, and allow any claims resulting therefrom;

10. To enforce and adjudicate the provisions of the Plan subject to the terms of the Plan; to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, the Plan documents or in the Confirmation Order as may be necessary to carry out the purpose and the intent of the Plan;

11. To determine any claim or liability to any governmental unit which may be asserted as a result of the transactions contemplated in the Plan;

12. To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

13. To determine such other matters as may be necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. To resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, enforcement or vacatur of the Plan or any person's obligations incurred in connection with the Plan;

15. To issue injunctions, enter and implement other orders or take such other actions as

may be necessary or appropriate to restrain interference by any person with consummation or enforcement of the Plan, except as otherwise provided herein;

16. To determine any other matters that may arise in connection with the Plan, the Disclosure Statement, the Confirmation Order, the plan documents or any other contract, instrument, release, indenture or other agreement or document created in connection with the foregoing.

**ARTICLE IX: MISCELLANEOUS PROVISIONS**

1. This Plan may be altered, amended, or modified only by Debtor before, on, or after the Confirmation Date as provided in 11 U.S.C. 1127.

2. Debtor reserves the right to revoke and withdraw the Plan prior to Confirmation Date. If Debtor revokes or withdraws the Plan, then the Plan shall be deemed null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against Debtor or any other person or to prejudice in any manner the rights of Debtor or any person in any further proceedings involving Debtor.

3. Debtor has filed all of his required tax returns and all post-petition taxes have been paid in full except those discussed in Article IV.

4. Debtor will be responsible for timely payment of quarterly fees incurred pursuant to 28 U.S.C. section 1930(a)(6) until Debtor's case is closed. After confirmation, Debtor will serve the United States Trustee with a quarterly disbursement report for each quarter (or portion thereof) that the case remains open. The quarterly disbursement report shall be due fifteen (15) days after the end of the calendar quarter. The disbursement financial report shall include the following:

- a. a statement of all disbursements made during the course of the quarter, by month, whether or not pursuant to the Plan;
- b. a summary, by class, of amounts distributed or property transferred to each recipient under the Plan, and an explanation of the failure to make any distributions or transfers to property under the Plan, if any;
- c. a description of any other factors which may materially affect Debtor's ability to complete his obligations under the Plan; and
- d. an estimated date when an application for final decree will be filed with the Court (in the case of the final quarterly report, the date the decree was filed).

5. Property of the estate vests in the Debtor at the time of confirmation of the Plan per 11 U.S.C. s. 1141(b).

6. If the Debtor defaults on his obligations to make the payments due under the Plan, the Debtor shall notify the Court and the U.S. Trustee of such default/failure under the Plan by filing a written statement with the Court.

7. Debtor will seek to close this case administratively upon substantial consummation of the Plan. Debtor may reopen the case upon completion of the Plan to obtain his discharge.

#### **ARTICLE X: CONFIRMATION**

In accordance with Section 1129(a)(15) of the Bankruptcy Code, upon objection of an unsecured creditor, Debtor's Plan cannot be confirmed unless the unsecured creditors receive full value for its claim or the property distributed under the Plan is not less than the disposable income of the Debtor.

In accordance with Section 1141(d)(5) of the Bankruptcy Code, Debtor shall not have completed his obligations under this Plan and from any and all claims that arose before the Confirmation Date until payments to unsecured creditors are paid in accordance with this Plan.

**ARTICLE XI: DEBTOR MICHAEL BROTHERS**

Debtor, Michael Brothers, has owned the real estate at 2 Julian Lane, Milford, MA with his wife, since 2012. The mortgage is only in his wife's name and the payments are current.

Debtor owns a property at 2 Middle Street, Blackstone, MA. The property was transferred to him in 1990 by his grandmother and his mother lives there. The Blackstone property is worth approximately \$45,000.00 based on a Broker's Price Opinion by Marilyn Bennett, Salzberg Real Estate done in August 2016. Debtor's mother resides at the property and in lieu of paying rent she pays all future expenses associated with the property including maintenance, water and sewer, real estate taxes, and utilities.

Debtor has been an attorney for approximately 20 years and operates his own law practice. From the practice he nets approximately \$64,200.00 per year. Debtor's wife has been a nurse for over 20 years and earns approximately \$53,000.00 per year.

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**ARTICLE XII: PROBLEMS LEADING TO CHAPTER 11 FILING**

Debtor's pre-filing problems were primarily due to his substantial student loans and starting his own legal practice. Debtor owed more than \$430,000.00 in student loans as of the Petition Date, the majority of which is from Stetson Law School, where he graduated in 1997. Debtor opened his own legal practice in 2007 and was able to net approximately \$20,000.00 per

year for the first three years. In 2010 the business dropped off and he tried to relocate and expand his practice areas and he spent considerable money on renting an office and on advertising costs. These efforts were unsuccessful and Debtor's practice was unable to provide sufficient income to allow Debtor to keep up with his substantial personal liabilities.

**ARTICLE XIII: DEBTOR'S POST-FILING BUSINESS OPERATIONS**

Since the filing of the Chapter 11 petition on July 22, 2016, Debtor has continued to operate his legal practice. Debtor has been able to focus his practice on criminal work and most of his income is from court appointed cases. During his Chapter 11 the Debtor has been able to add more private cases through networking and social media advertising, which he hopes to continue to expand.

**ARTICLE XIV: FEASIBILITY OF PROPOSED PLAN OF REORGANIZATION**

Debtor's projections of the operating potential for the next five years are set forth as Exhibits 2 and 3 attached to the Disclosure Statement. It is anticipated that at Confirmation Debtor will have approximately \$15,000.00 in his Debtor-in-possession bank account which he can use to pay the lump sum payments to the Class I and II creditors and the administrative expenses. Debtor's net income projections demonstrate the feasibility of monthly payments to the Class III, IV, and unclassified tax claimants over five years. It is anticipated that approximately \$11,500.00 will be required at confirmation.

The feasibility of Debtor's proposed Plan of Reorganization is based upon the cash flow derived from the earnings of Debtor from his law practice and his wife's income as a nurse, where she earns approximately \$53,000.00 per year. Debtor's wife has an incentive to aid

Debtor since the tax liability is also in her name. Debtor believes that this income will provide adequate cash flow to make all secured payments and to make the required payments to unsecured Creditors under the Plan.

**ARTICLE XV: ALTERNATIVES TO PLAN – LIQUIDATION ANALYSIS**

In the event that Debtor’s assets were to be liquidated, General Unsecured Claims would receive a small dividend due to administrative costs and the large amount owed to the IRS and Massachusetts DOR. Exhibit 1 to the Disclosure Statement demonstrates a liquidation sale involving Debtor’s property. The liquidation value of Debtor’s estate is \$18,399.00. From that liquidation value Debtor would need to pay his legal fees which are anticipated to be \$9,000.00. There would be approximately \$9,400.00 for unsecured creditors, or a 1.7% distribution.

Debtor’s Plan proposes to pay a dividend of 5% divided to General Unsecured Claims in Class III and IV. This 5% dividend exceeds the 1.7% dividend General Unsecured Claims would receive in a liquidation. Debtor requests that the creditors accept the Plan and avoid the expense and delay of a liquidation.

Debtor’s projected disposable income during the five year Plan period is \$8,406.08, which does not take into account his legal fees. If Debtor were in a Chapter 13, then his legal fees of approximately \$9,000.00 would be included in his projected disposable income and he would be projected to lose money during the Plan. Therefore, the 5% dividend to General Unsecured Claims in Classes III and IV is greater than the 0% dividend that creditors would receive in a Chapter 13 Plan.

**ARTICLE XVI: ACCEPTANCE/REJECTION**

Each creditor may indicate whether acceptance or rejection of the proposed Plan is selected by completing the enclosed "Ballot For Accepting or Rejecting Chapter 11 Plan", being careful to follow the directions written therein in so doing. Completed forms should be returned as soon as possible to:

John Ullian, Esquire  
The Law Firm of Ullian & Associates, P.C.  
220 Forbes Road, Suite 106  
Braintree, MA 02184

It should be noted that in determining whether or not a particular class of creditors have accepted or rejected the Plan, the Court will only consider those claimants who actually vote in connection with such Plan.

The Plan referred to in this Disclosure Statement can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of two-thirds in dollar amount and more than half in number of claims in each class voting on the Plan. In the event that the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan affords fair and equitable treatment to the class rejecting it.

To have your vote count, you must complete and return the ballot. Debtor believes the proposed Plan is in the best interest of all creditors and urges its acceptance.

Respectfully submitted,  
Michael Brothers,  
by his attorney,

/s/ John Ullian  
John Ullian, Esq.  
BBO # 542786  
The Law Firm of Ullian & Associates, P.C.  
220 Forbes Road, Suite 106  
Braintree, MA 02184  
(781) 848-5980

Dated: ~~June 16~~ August 9, 2017