

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

In re:

MICHAEL RUDULPH ELLIS CARTER

Debtor.

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**Case No. 14-28122-WIL
Chapter 11**

DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT

I. GENERAL INFORMATION

A. Introduction

Michael Rudolph Ellis Carter, Debtor and Debtor-in-possession [the “Debtor”], in the above captioned bankruptcy case, submits this Second Amended Disclosure Statement [the “Disclosure Statement”], in order to disclose the information believed to be material for creditors Creditors to arrive at a reasonably informed decision in exercising their right to vote on the Debtor’s Second Amended Plan of Reorganization [the “Plan”], filed concurrently herewith in the United States Bankruptcy Court for the District of Maryland (Greenbelt Division) [the “Bankruptcy Court” or “Court”]. The Debtor is the proponent of the Plan.

Pursuant to §1125 of the United States Bankruptcy Code [the “Bankruptcy Code” or “Code”], this Disclosure Statement must be approved by the Bankruptcy Court, and must contain adequate information to permit affected creditors and interest holders to make an informed judgment in exercising their right to vote to accept or reject the Plan. The approval of this Disclosure Statement by order of the United States Bankruptcy Court for the District of Maryland is not a decision by the Court on the merits of the Plan.

The Debtor has filed this Disclosure Statement in connection with the solicitation of acceptances and approval of his Plan. A copy of the Plan is attached hereto as **Exhibit A**.

Unless the context otherwise requires, the capitalized terms used herein shall have the meanings specified in the “Definitions” section of the Plan and, if no definition is provided in the Plan, then the definition of the term provided in the Bankruptcy Code shall be used.

The purpose of this Disclosure Statement is to provide Debtor’s ~~creditors~~-Creditors and parties in interest with adequate information of any kind, and in sufficient detail, as is reasonably practicable in light of the nature and history of the Debtor, upon which the ~~creditors~~-Creditors may base an informed decision regarding whether to accept or reject the Plan.

Except as otherwise stated in the Plan, the Debtor proposes to pay the indebtedness during the term of the Plan, which is to extend for a period of five (5) years. The Debtor believes the acceptance of the Plan is in the best interests of the Debtor and his ~~creditors~~-Creditors and offers ~~creditors~~-Creditors the best opportunity for a meaningful distribution. The Debtor urges all of the Debtor’s ~~creditors~~-Creditors to vote in favor of the Plan.

Once the Disclosure Statement is approved by the Court, each ~~creditor~~-Creditor will be provided with a ballot on which the ~~creditor~~-Creditor indicates their acceptance or rejection of Debtor’s Plan, based upon the Plan itself, and the information contained in this Disclosure Statement. The ballot will accompany this Disclosure Statement when it is approved by the Court.

The Debtor has reviewed the information contained herein and has determined the information is accurate to the best of his knowledge.

B. Definitions

The terms and definitions set forth in Article I of the Plan are also applicable to, and are used in, this Disclosure Statement unless expressly stated otherwise in this Disclosure Statement. You therefore are urged to refer to the Plan when reviewing this Disclosure Statement.

C. Disclaimers

NO REPRESENTATION CONCERNING THE DEBTOR, THE VALUE OF HIS PROPERTY, OR THE PLAN, ARE AUTHORIZED BY THE DEBTOR UNLESS SET FORTH IN THIS DISCLOSURE STATEMENT. ACCORDINGLY, NO REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN, OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT, SHOULD BE RELIED UPON IN EXERCISING THE RIGHT TO VOTE OR NOT TO VOTE ON THE ACCEPTANCE OF THE PLAN.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. NO REPRESENTATION IS MADE THAT ANY FINANCIAL SYNOPSSES ANNEXED HERETO OR RELIED UPON HEREIN ARE PREPARED IN ACCORDANCE WITH GAAP. THE RECORDS KEPT BY THE DEBTOR ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. MOREOVER, THIS DISCLOSURE STATEMENT SHOULD NOT BE DEEMED CONCLUSIVE ADVICE ON THE TAX AND OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AND INTERESTS.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST AND EARLIEST POSSIBLE RECOVERY TO HIS CREDITORS. THE DEBTOR THEREFORE BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTEREST OF ALL CREDITORS.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT, THE BANKRUPTCY COURT HAS AUTHORIZED NO REPRESENTATIONS CONCERNING

THE DEBTOR OR THE VALUE OF HIS ASSETS. IN VOTING ON THE PLAN, YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN BY CREDITORS OF THE DEBTOR, WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE PLAN SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO, IN TURN, MAY PROVIDE SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED, AND DISSEMINATION OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE THE DISCLOSURE STATEMENT WAS COMPILED.

THE PLAN AND DISCLOSURE STATEMENT ARE COMPLEX INSOFAR AS THEY CONSTITUTE A LEGALLY BINDING COMMITMENT BETWEEN CREDITORS AND THE DEBTOR. ACCORDINGLY, CREDITORS AND PARTIES-IN-INTEREST ARE URGED TO SEEK LEGAL COUNSEL IF UNSURE OF THE EFFECT OF THE PLAN AND DISCLOSURE STATEMENT.

The description of the Plan in this Disclosure Statement is a summary only, and ~~creditors~~ Creditors and other parties in interest are urged to review this entire Disclosure Statement and its Exhibits, the detailed description of the Plan contained herein, and the Plan itself which is annexed hereto, for a full understanding of the Plan's provisions.

D. Scheduled Hearing

The Bankruptcy Court will schedule a hearing to consider confirmation of the Plan. This hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled date of such hearing. At that hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Code, including whether the Plan is feasible and whether it is in the best interest of ~~the e~~Creditors. The Bankruptcy Court will then receive and consider a ballot report prepared by the Debtor concerning the votes for acceptance or rejection of the Plan by the parties in interest and ~~ereditors~~Creditors entitled to vote.

E. Recommendation of the Debtor

The Debtor believes that the Plan provides the greatest and earliest possible recoveries to all ~~ereditors~~Creditors, that the acceptance of the Plan is in the best interest of all ~~ereditors~~Creditors and recommends that they vote to accept the Plan.

II. VOTING INSTRUCTIONS AND CONFIRMATION OF PLAN

A. Manner of Voting on Plan

Voting Instructions

The deadline for voting on the Plan will be provided by the Bankruptcy Court. In order for your ballot to be counted, it is imperative that it be received by the stated deadline. Ballots will be provided once the voting deadlines are set.

In order to simplify the voting procedure, ballots will be sent to the scheduled holders of all ~~elaims~~Claims, including claims which the Debtor may dispute. However, the Bankruptcy Code provides that only holders of ~~allowed~~Allowed ~~elaims~~Claims and ~~interests~~Interests (or ~~elaims~~Claims and ~~interests~~Interests which are deemed “~~allowed~~Allowed”) are entitled to vote

on the Plan.

To return your ballot, or if a ballot is damaged or lost, or if you have any questions concerning voting procedures, contact:

James M. Greenan, Esquire
Steven L. Goldberg, Esquire
McNamee, Hosea, Jernigan, Kim,
Greenan, & Lynch, P.A.
6411 Ivy Lane, Suite 200
Greenbelt, Maryland 20770

A separate envelope will be provided for the return of your ballot. BALLOTS MUST BE RECEIVED BY THE STATED DEADLINE.

Before voting, this Disclosure Statement as well as the Plan should be reviewed in their entirety. You should use only the ballots sent to you with this Disclosure Statement and Plan to cast your vote for or against the Plan.

B. Claim Holders Entitled to Vote

Subject to the exceptions provided below, any ~~claim-Claim~~ holder whose claim is ~~impaired-Impaired~~ under the Plan is entitled to vote if either (1) its ~~claim-Claim~~ has been scheduled by the Debtor and such ~~claim-Claim~~ is not scheduled as disputed, contingent or unliquidated, or (2) such ~~claim-Claim~~ holder has filed a proof of claim with respect to a ~~disputed~~ Disputed claim-Claim.

A holder of a ~~disputed-Disputed claim-Claim~~ is not entitled to vote on the Plan unless the Bankruptcy Court, upon motion of the ~~creditor-Creditor~~ whose ~~claim-Claim~~ has been objected to, temporarily allows the ~~claim-Claim~~ in an estimated amount which it deems proper for the purpose of voting to accept or reject the Plan. Any such motion must be heard and determined by the Bankruptcy Court prior to the date established by the Bankruptcy Court as the final date to vote on the Plan. In addition, a vote may be disregarded if the Bankruptcy Court determines that

the acceptance or rejection of the Plan by the ~~creditor~~ Creditor is not solicited or procured in good faith or in accordance with the provisions of the Code.

C. Vote Required for Class Acceptance

The Bankruptcy Court will find that the Plan has been accepted, if, for each ~~impaired~~ Impaired class-Class that has voted, there are votes submitted by at least two-thirds (2/3) of the total amount of the voted ~~claims~~ Claims in the ~~class~~ Class and more than one-half (1/2) of the total number of voted ~~claims~~ Claims in the ~~class~~ Class, in support of the Plan.

D. Cramdown

In order to confirm the Plan, among other things, the Debtor must establish that, in accordance with §1129(a)(8) of the Bankruptcy Code, each Class of Claims or Interests either (i) has accepted the Plan or (ii) is not Impaired under the Plan. In the event that neither of these requirements can be satisfied, however, and all other applicable requirements for confirmation under §1129(a) of the Bankruptcy Code are satisfied, the Plan may be confirmed by the Court, provided that the Plan does not “discriminate unfairly,” and is “fair and equitable” with respect to any Class of Claims or Interests that is impaired under and has not accepted the Plan. The phrase “fair and equitable” has different meanings for secured and unsecured class and classes for interest.

If one or more ~~classes~~ Classes of ~~impaired~~ Impaired ~~claims~~ Claims under the Plan rejects the Plan, the Debtor reserves the right to request the Bankruptcy Court to determine at the confirmation hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting ~~impaired~~ Impaired ~~class~~ Class of ~~claims~~ Claims so as to allow the confirmation despite the vote to reject the Plan.

The Debtor also reserves the right to amend the Plan at that time in such manner as to permit confirmation over the vote of the rejecting ~~impaired~~ Impaired ~~class~~ Class.

III. DEBTOR'S BACKGROUND AND PREPETITION OPERATIONS

The Debtor commenced this case in order to restructure his financial obligations principally, as a result of material changes to the Debtor's household income as well as the economic impossibility under a certain Marital Settlement Agreement entered into by the Debtor and his former spouse, Caroline Carter, in March of 2007. The Marital Settlement Agreement has been the source of protracted litigation since at least 2013. The Marital Settlement Agreement is attached hereto as **Exhibit B**.

A. **The Marital Settlement Agreement is an Economic Impossibility**

~~Mr. Carter~~The Debtor had three children during his twelve year marriage to Ms. Carter, now ages ~~14~~15, ~~16~~17 and ~~19~~20. In March of 2007, shortly before their divorce, ~~Mr. Carter~~the Debtor and Caroline Carter entered into a Marital Settlement Agreement that, among other things, established ~~Mr. Carter's~~Debtor's child support obligations. In early 2013, ~~Mr. Carter~~the Debtor informed ~~Caroline Ms.~~ Carter that he could no longer afford to pay \$6,000 per month in child support as provided for in the Marital Settlement Agreement as a result of, ~~among other things,~~ reduced household income and increased household expenses.

A flurry of litigation ensued in the Circuit Courts for Anne Arundel County, Maryland and Montgomery County, Maryland, including, among other things, actions by ~~Caroline Ms.~~ Carter to hold ~~Mr. Carter~~the Debtor in breach of contract for unpaid child support, and ~~Mr. Carter's~~the Debtor's filings to modify and or establish a child support order.

In January of 2014, a hearing was held in the Circuit Court for Montgomery County on Caroline Carter's breach of contract and declaratory judgment action and on ~~Mr. Carter's~~the Debtor's complaint for modification/establishment of child support. On February 18, 2014, ~~The Circuit Court granted summary judgment in favor of Caroline Carter and ordered Mr. Carter to pay the child support arrears and to continue making child support payments in the~~

~~amounts set forth in the Marital Separation Agreement.~~ entered an order, finding that “the parties’ Marital Settlement Agreement ... is a contract incapable of modification by a Court”, and declared that the Debtor had an on-going duty to pay child support in the amounts and for the periods set forth in the Marital Settlement Agreement.

~~—— In particular, the Circuit Court also held that it lacked authority to modify the amount of child support under the Marital Settlement Agreement because since the Marital Settlement Agreement the Agreement~~ was neither incorporated nor merged into the divorce decree, ~~it was a “contract” that the Court lacked jurisdiction to modify. The Circuit Court, in effect, determined that the Marital Settlement Agreement was a “contract” between the parties and, as such, that it lacked jurisdiction to modify the amount of child support.~~

Asserting the well-established proposition that child support is always modifiable based on a material change in financial circumstances, ~~Mr. Carter~~the Debtor noted a timely appeal to the Court of Special Appeals.

In the interim, ~~Mr. Carter~~the Debtor satisfied the judgment entered by the Circuit Court for child support arrears, and paid Ms. Carter’s attorneys’ fees in connection with the enforcement action in the amount of \$33,483.50. However, as a result of ~~Mr. Carter’s~~the Debtor’s substantially reduced income, and increased expenses, his difficulty making the child support payments in the amounts set forth in the Marital Separation Agreement persisted. In order to restructure his obligations to creditors, ~~Mr. Carter~~the Debtor commenced this case.

A. The Appeal of the Circuit Court’s Decision

Immediately following the Petition Date, ~~Mr. Carter~~the Debtor filed a motion for relief from stay in order to proceed with the appeal pending in the Court of Special Appeals. On January 14, 2015, the Bankruptcy Court entered an Order granting the motion for relief from stay, thereby allowing the appeal to proceed.

On April 21, 2015, the Court of Special Appeals issued a decision affirming the Circuit Court. The narrow issue before that court was whether the Circuit Court had authority to modify the amount of child support as set forth in the Marital Separation Agreement. Ultimately, the Court of Special Appeals affirmed the Circuit Court, finding that it lacked the authority to decrease ~~the Mr. Carter's Debtor's~~ child support obligations because it was neither incorporated nor merged into the judgment of absolute divorce, but preserved ~~Mr. Carter's~~ the Debtor's rights to avail himself of contract theories that would relieve him of the burden of performance under the Marital Separation Agreement, such as, *inter alia*, “frustration of performance either due to strict impossibility or impracticability due to extreme or unreasonable difficult or expense.”

On or about June 4, 2015, the Debtor filed a Petition for Certiorari to the Court of Appeals of Maryland. On or about July 27, 2015, the Court of Appeals denied the Petition for Certiorari.

B. Mr. Carter's Financial Condition

As of the Petition Date, ~~Ms. Carter~~ the Debtor was employed with CM2 Limited as a director in CM2 Limited's human resources department. From the Petition Date through September of 2016, Mr. Carter's the Debtor's income from employment ~~is was~~ approximately \$65,000.00 per year (with bonus eligibility of approximately \$10,000 per year), compared with earnings of \$160,000.00 at the time the Marital Settlement Agreement was entered into.

~~Dependent on CM2's performance, Mr. Carter is also eligible for a bonus of up to approximately \$10,000 per year, in the sole discretion of CM2.~~

In September of 2016, the Debtor obtained new employment. The Debtor's current gross income is \$150,000.00, though the Debtor's present employer does not provide medical insurance, resulting in an effective adjusted gross income of approximately \$130,000.00 per year.

~~Mr. Carter~~The Debtor receives additional income in the approximate amount of \$78,000 per year from proceeds of a Trust (*i.e.* the Cintra E. Fair Trust) in which ~~Mr. Carter~~the Debtor is a beneficiary. In ~~2014~~2015, ~~Mr. Carter's~~the Debtor's aggregate adjusted gross income from employment and from the proceeds of the Trust was approximately ~~\$118,000.00~~\$153,000.00.

IV. DEBTOR'S POST-PETITION FINANCES

The Debtor's ~~post-petition income~~current gross income from employment (after deduction for medical insurance) is approximately ~~\$65,000~~\$130,000.00 per year; the Debtor's income from the Trust remains approximately \$78,000 per year. ~~As of April 1, 2015, Mr. Carter's~~The Debtor's wife ~~sought and obtained post-petition~~receives irregular income as work as a contractor consultant (project-based), and receives annual income of approximately ~~\$5035,000.00—\$60,000 per year.~~

The Debtor's post-petition ~~household~~ income and expenses are summarized below:

<u>Month</u>	<u>Net Income</u>	<u>Expenses</u>	<u>Net</u>
December, 2014	\$8,193.00	\$41,692.00	(\$33,499.00)
January, 2015	\$4,038.00	\$15,997.00	(\$11,959.00)
February, 2015	\$23,692.00	\$17,176.00	\$6,516.00
March, 2015	\$3,095.00	\$12,751.00	(\$9,656.00)
April, 2015	\$37,026.00	\$15,231.00	\$21,795.00
May, 2015	\$3,760.00	\$14,238.00	(\$10,478.00)
June, 2015	\$3,102.00	\$8,721.00	(\$5,619.00)
July, 2015	\$27,999.00	\$13,596.00	\$14,403.00
August, 2015	\$4,682.00	\$22,576.00	(\$17,894.00)
September, 2015	\$7,735.00	\$9,351.00	(\$1,615.00)
October, 2015	\$23,131.00	\$4,139.00	\$18,992.00
November, 2015	\$3,336.00	\$12,692.00	(\$9,357.00)
December, 2015	\$12,006.00	\$12,103.00	(\$97.00)
2015 Total	\$153,601.00	\$158,571.00	(\$4,970.00)
January, 2016	\$23,231.00	\$13,268.00	\$9,963.00
February, 2016	\$3,753.00	\$19,465.00	(\$15,712.00)
March, 2016	\$5,174.00	\$7,122.00	(\$1,948.00)
April, 2016	\$29,293.00	\$10,873.00	\$18,420.00
May, 2016	\$5,433.00	\$15,714.00	(\$10,281.00)

June, 2016	\$3,435.00	\$12,232.00	(\$8,797.00)
July, 2016	\$23,876.00	\$5,088.00	\$18,788.00
August, 2016	\$5,127.00	\$19,065.00	(\$13,939.00)
September, 2016	\$11,435.00	\$13,103.00	(\$1,668.00)
October, 2016	\$32,458.00	\$11,267.00	\$21,191.00
November, 2016			
December, 2016			
2016 TYD	\$143,215.00	\$127,197.00	\$16,018.00

V. DEBTOR'S ASSETS

The Debtor's principal assets consist of the following:

<u>Asset</u>	<u>Exempt</u>	<u>Debt</u>	<u>Value</u>
6006 Corewood Lane Bethesda, MD 20816	Tenants by Entireties	\$879,655	\$1,379,000
Household Furnishings	Tenants by Entireties		\$20,500.00
Retirement Accounts	Md. Code § 11-504(h)		
\$83,043 90,654.00			
Maryland 529 Plan	Md. Code § 11-504(h)		
\$185,670.00 159,071.00			
2003 Honda CRV			\$3,895.00
2010 Toyota Highlander	Md. Code § 11-504(b)(2)		
\$18,643 16,280.00			
	to extent of \$4,000.00		
Cintra E. Fair Trust (res of trust payable upon death of trustee)	Md. Code % 11-504(b)(2)		\$78,000/yr ¹

VI. DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

The Debtor has designated the following classes of Claims and Interests under the Plan.

Pursuant to § 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the classes listed below. The designation of Administrative Expense Claims and Priority Tax Claims is set forth in Section

¹ The *res* of the Trust is believed to be approximately \$1,900,000.00 and is payable at some future point contingent on the death of the trustee.

VII, below:

CLASS 1: Secured Claim of Navy Federal Credit Union. Class 1 consists of the ~~allowed~~
~~Allowed~~ ~~secured~~ ~~Secured~~ ~~claim~~ ~~Claim~~ of Navy Federal Credit Union pursuant to a deed of trust
 recorded against the real property commonly known as 6006 Corewood Lane, Bethesda,
 Maryland 20816 (the “Corewood Property”) in the original principal amounts of \$900,000.00.
 The deed of trust is recorded among the land records for Montgomery County, Maryland at Liber
 46924 Folio 158. Navy Federal Credit Union will retain its lien against the Property. As of the
 Petition Date, the balance owed to Navy Federal Credit Union was approximately \$879,655.00.
 The pre-petition arrears owed to Navy Federal Credit Union as of the Petition Date was
 \$5,487.05. The current interest rate on the Navy Federal Credit Union loan is 3.875%.

This ~~class~~ ~~Class~~ is ~~impaired~~ ~~Impaired~~.

CLASS 2: Secured Claim of American Honda Finance Corporation. Class 2 consists of
 the ~~allowed~~ ~~Allowed~~ ~~secured~~ ~~Secured~~ ~~claim~~ ~~Claim~~ of American Honda Finance Corporation
 pursuant to Motor Vehicle Lease Agreement for a 2014 Honda CRV. As of the Petition Date,
 the balance due and owing through the remaining term of the lease was \$26,234.54. The
 monthly payment under the lease is \$285.79, through approximately August of 2017. The
 Debtor intends to assume the vehicle lease according to its terms. American Honda Finance will
 retain its lien securing the Vehicle.

This ~~class~~ ~~Class~~ is ~~unimpaired~~ ~~Unimpaired~~.

CLASS 3: Priority § 507(a)(1)(A) Claim of Caroline M. Carter. Class 3 consists of the
~~allowed~~ ~~Allowed~~ ~~priority~~ ~~Priority~~ § 507(a)(1)(A) ~~claim~~ ~~Claim~~ of Caroline M. Carter, which shall
 modify and/or clarify the Debtor’s child support, ~~and~~ college expense ~~and life insurance~~
 obligations under the Marital Settlement Agreement. By the ~~confirmed~~ ~~p~~Plan, Paragraph 5 ~~and~~

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~~subsection (a) of Paragraph 5~~ of the Marital Settlement Agreement shall be modified to provide that the Debtor shall pay one hundred percent (100%) of the non-dischargeable child support obligation in the aggregate amount of ~~approximately \$203,000.00 227,000.00 (including \$21,000 in pre-petition arrears)~~ (the “Child Support Obligation”), through equal monthly installments of ~~\$1,500~~2,000.00 per month, with the final payment ~~due on or before~~ due no later July 1, ~~2026~~2022. As set forth in Section VII herein, on the Effective Date, the Debtor shall pay the sum of \$21,000.00 to the holder of this Class 3 Claim, which shall constitute full payment of the arrears on the Child Support Obligation due and owing as of the Petition Date; such payment shall be applied as a credit against the Child Support Obligation. Notwithstanding the foregoing, in the event that the Bankruptcy Court determines that Section 1129(a)(14) of the Bankruptcy Code requires, as a condition of confirmation, that the Debtor pay all amounts of the Child Support Obligation that became due and payable after the Petition Date, such amount (estimated to be no more than \$84,500.00) shall be paid to the holder of the Class 3 Claim in full on the Effective Date. Paragraph 9(a)(ii) of the Marital Settlement Agreement shall be clarified to provide that the Debtor shall pay up to and including the equivalent of in-state tuition, room and board for each child (based on tuition, room and board for the University of Maryland, College Park), and a reasonable allowance and roundtrip transportation between the college and the child(ren)’s residence three times per school year, in an amount equal to approximately \$1,500 per year, per child attending college. ~~The Debtor acknowledges that Paragraph 9(a)(ii) is a non-dischargeable domestic support obligation. Paragraph 19 of the Marital Settlement Agreement shall be clarified to provide that the Debtor and the holder of this Class 3 Claim shall be relieved from maintaining insurance once the Child Support Obligation is paid in full.~~ ~~Paragraph 19 of the Marital Settlement Agreement is not a domestic support obligation and shall be rejected pursuant to 11 U.S.C. § 365, and the Debtor and the holder of this Class 3 Claim~~

~~shall be relieved from such obligations.~~

This Class is ~~impaired~~ Impaired.

CLASS 4: General Unsecured Non-Priority Claims: Class 4 consists of the ~~allowed~~ Allowed general-General Non-Priority uUnsecured ~~non-priority claims~~ Claims against the Debtor that are to be paid under the Plan, in the estimated amount of \$197,002.91. General Non-Priority Unsecured Creditors will receive approximately thirty percent (30%) of their ~~allowed~~ Allowed claim Claim.

This ~~class-Class~~ is ~~impaired~~ Impaired.

VII. DESIGNATION OF UNCLASSIFIED CLAIMS

The Debtor has designated the following Claims as unclassified, pursuant to §1123(a)(1) of the Bankruptcy Code. The treatment of such unclassified ~~claims~~ Claims is set forth in Sections VIII, and IX, below.

- (i) Allowed Administrative Expenses: Administrative Expenses, as allowed, consist of approved claims for professional fees unpaid as of the date of confirmation and all other administrative expense claims entitled to priority under §§507(a) and 503(b)(4) of the Bankruptcy Code. All such administrative expense claims for professional fees are subject to review and approval by the Bankruptcy Court. The Debtor estimates that the only Allowed Administrative Expenses are of Debtor's counsel, which is estimated to be ~~will be~~ \$3050,000.00.
- (ii) Unsecured Priority Tax Claims: Unsecured Priority Claims consist of the claims of governmental units for prepetition tax liability. There are no unsecured priority tax claims. The unclassified unsecured priority tax claims expressly exclude claims under §507(a)(1)(A), which are provided for in Sections VI and X.

The Plan contemplates that all ~~allowed~~ Allowed Administrative Expense Claims and Unsecured Priority Claims (excepting §507(a)(1)(A) claims) shall be accorded treatment and payment as provided for by the Bankruptcy Code and will be paid as described in Sections VIII

through X, herein. All Administrative Expense Claims of professionals for services provided to the Debtor must be approved by the Order of the Bankruptcy Court.

VIII. CLAIMS

A. Classes of Claims

CLASS 1: Secured ~~claim-Claim~~ of Navy Federal Credit Union: \$879,655.00

CLASS 2: Secured ~~claim-Claim~~ of American Honda Finance: \$26,234.54
Corporation

CLASS 3: Priority § 507(a)(1)(A) Claim of Caroline M. Carter:
~~\$227,000~~203,000.00

CLASS 4: General Unsecured Non-Priority Claims: \$197,002.91

B. Administrative Expense Claims: The Administrative Expense Claims, subject to approval by the Bankruptcy Court, are as follows:

(1) Legal expenses:

(i) McNamee Hosea, et al. \$~~3050~~0,000.00
(Debtor's Counsel) [estimated]

(2) Office of the United States Trustee: \$675.00
[estimated]

C. Unsecured Priority Tax Claims:

(i) Internal Revenue Service: \$0.00

(ii) Comptroller of Maryland \$0.00

IX. TREATMENT OF CLAIMS AND INTERESTS

A. General

In general, a plan of reorganization under Chapter 11 may provide that the rights of certain ~~classes~~-Classes of ~~claims~~-Claims or ~~interests~~-Interests will remain unchanged under the

Debtor's reorganization. The ~~claimants-Claimants~~ and ~~interest-Interest~~ holders included in such classes remain unaffected by the Plan. These parties are described as "unimpaired" under the Bankruptcy Code and are deemed to have accepted the Plan. See §1126(f) of the Bankruptcy Code. As a result, it is unnecessary to solicit votes from ~~claimants-Claimants~~ or ~~interest-Interest~~ holders in such ~~unimpaired-Unimpaired classes~~Classes.

X. MANNER OF PAYMENT OF CLAIMS AND TREATMENT OF INTERESTS

A. Payment of Administrative Expense Priority Claims:

The Debtor will pay the Administrative Expense Claims of ~~professionals~~Professionals, as approved by the Bankruptcy Court, from the New Value Contribution (as defined in Section XXIII), with the balance to be paid in equal monthly installments of \$300.00 per month beginning on the Effective Date, and continuing thereafter for ~~thirty-six~~sixty (36) months. The Debtor projects that the Administrative Expense ~~priority claims-Claims~~ for ~~professionals~~Professionals include only those of Debtor's counsel.

The Debtor will also continue to make his payments to the Office of the United States Trustee for quarterly fees as assessed, in a timely manner. The Debtor's payments to the United States Trustee will be made in addition to the Plan payments to be provided to satisfy the Administrative Expense ~~priority claims-Claims~~ of professionals.

B. Payment of Unsecured Priority Tax Claims:

The Debtor has no ~~priority-Priority tax-Tax claims~~Claims.

C. Payment of Secured Claim of Navy Federal Credit Union Class 1

Class 1 consists of the allowed secured claim of Navy Federal Credit Union pursuant to a deed of trust recorded against the real property commonly known as 6006 Corewood Lane, Bethesda, Maryland 20816 (the "Corewood Property") in the original principal amounts of

\$900,000.00. The deed of trust is recorded among the land records for Montgomery County, Maryland at Liber 46924 Folio 158. Navy Federal Credit Union will retain its lien against the Property. As of the Petition Date, the balance owed to Navy Federal Credit Union was approximately \$879,655.00. The pre-petition arrears owed to Navy Federal Credit Union as of the Petition Date was \$5,487.05. The current interest rate on the Navy Federal Credit Union loan is 3.875%.

In addition to the regular monthly mortgage payment, the pre-petition arrears owed to Navy Federal Credit Union in the amount of \$5,487.05 will be paid in equal monthly installments over three (3) months beginning on the Effective Date.

This ~~class-Class~~ is ~~impaired~~Impaired.

**D. Payment of Allowed Secured Claim of American Honda Finance Corporation:
Class 2**

Class 2 consists of the allowed secured claim of American Honda Finance Corporation pursuant to Motor Vehicle Lease Agreement for a 2014 Honda CRV. As of the Petition Date, the balance due and owing through the remaining term of the lease was \$26,234.54. The monthly payment under the lease is \$285.79, through approximately August of 2017. The Debtor intends to assume the vehicle lease according to its terms. American Honda Finance will retain its lien securing the Vehicle.

This ~~class-Class~~ is ~~unimpaired~~Unimpaired.

**E. Payment of Priority § 507(a)(1)(A) Claim of Caroline M. Carter:
Class 3**

Class 3 consists of the Allowed Priority § 507(a)(1)(A) Claim of Caroline M. Carter, which shall modify and/or clarify the Debtor's child support and college expense obligations under the Marital Settlement Agreement. By the Plan, Paragraph 5 of the Marital

Settlement Agreement shall be modified to provide that the Debtor shall pay one hundred percent (100%) of the non-dischargeable child support obligation in the aggregate amount of \$203,000.00 (the "Child Support Obligation") through equal monthly installments of \$2,000.00 per month, with the final payment due on or before July 1, 2022. As set forth in Section VII herein, on the Effective Date, the Debtor shall pay the sum of \$21,000.00 to the holder of this Class 3 Claim, which shall constitute full payment of the arrears on the Child Support Obligation due and owing as of the Petition Date; such payment shall be applied as a credit against the Child Support Obligation. Notwithstanding the foregoing, in the event that the Bankruptcy Court determines that Section 1129(a)(14) requires, as a condition of confirmation, that the Debtor pay all amounts of the Child Support Obligation that became due and payable after the Petition Date, such amount (estimated to be no more than \$84,500.00) shall be paid to the holder of the Class 3 Claim in full on the Effective Date. Paragraph 9(a)(ii) of the Marital Settlement Agreement shall be clarified to provide that the Debtor shall pay up to and including the equivalent of in-state tuition, room and board for each child (based on tuition, room and board for the University of Maryland, College Park), and a reasonable allowance and roundtrip transportation between the college and the child(ren)'s residence three times per school year, in an amount equal to approximately \$1,500 per year, per child attending college. Paragraph 19 of the Marital Settlement Agreement shall be clarified to provide that the Debtor and the holder of this Class 3 Claim shall be relieved from maintaining insurance once the Child Support Obligation is paid in full.

This Class is Impaired.

~~Class 3 consists of the allowed § 507(a)(1)(A) priority claim of Caroline M. Carter, which shall modify and/or clarify the Debtor's child support, college expense and life insurance obligations under the Marital Settlement Agreement. By the confirmed plan, Paragraph 5 and subsection (a)~~

~~of Paragraph 5 of the Marital Settlement Agreement shall be modified to provide that the Debtor shall pay one hundred percent (100%) of the non-dischargeable child support obligation in the aggregate amount of approximately \$227,000.00 (including \$21,000 in pre-petition arrears) through equal monthly installments of \$1,500.00 per month, with the final payment due no later than July 1, 2026. Paragraph 9(a)(ii) of the Marital Settlement Agreement shall be clarified to provide that the Debtor shall pay up to and including the equivalent of in-state tuition, room and board for each child (based on tuition, room and board for the University of Maryland, College Park), and a reasonable allowance and roundtrip transportation between the college and the child(ren)'s residence three times per school year. The Debtor acknowledges that Paragraph 9(a)(ii) is a non-dischargeable domestic support obligation. Paragraph 19 of the Marital Settlement Agreement is *not* a domestic support obligation and shall be rejected pursuant to 11 U.S.C. § 365, and the Debtor and the holder of this Class 3 Claim shall be relieved from such obligations.~~

~~————— This Class is impaired. —————~~

**F. Payment of General Unsecured Non-Priority Claims:
Class 4**

Class 4 consists of the ~~allowed-Allowed general-General unsecured-Unsecured nonNon-~~
~~priority-Priority claims-Claims~~ against the Debtor that are to be paid under the Plan, in the
estimated amount of \$197,002.91. General ~~Non-Priority~~ Unsecured Creditors will receive
approximately thirty percent (30 %) of their ~~allowed-Allowed general-General unsecured~~
~~Unsecured claims-Claims~~ on a pro rata basis, distributed in twenty (20) quarterly payments over
a period of sixty months beginning on the Effective Date. Payment as set forth herein to Class 4
Creditors shall constitute full and final satisfaction of the ~~claims-Claims~~ of Class 4
~~creditorsCreditors~~.

This ~~class-Class~~ is ~~impaired~~Impaired.

G. Plan Payments and Effect of Plan Confirmation:

Plan payments will begin on the Effective Date. The Effective Date is the date that is thirty (30) days after the entry of a final, non-appealable Order confirming the Debtor's Plan ~~of Reorganization~~, as defined more fully in the Plan. The Debtor will act as the disbursement agent for the Plan payments.

Confirmation of this Plan constitutes a binding contract between the Debtor and all of his ~~creditors~~Creditors, and is enforceable against each such creditor, whether or not each such ~~creditor~~Creditor accepted the Debtor's Plan.

XI. CONTESTED CLAIMS

The Debtor and all ~~creditors~~Creditors shall be entitled to object to Claims, including any Claim which has been listed by the Debtor in the Schedules in an amount not disputed or contingent. Any objections to such Claims (other than Fee Claims) shall be served and filed on or before the later of: (a) sixty (60) days after the Effective Date; or (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (a) hereof.

To the extent a Claim is a Disputed Claim, the Debtor shall not be required to make the applicable disputed portion of a payment to the holder of such Disputed Claim which would otherwise be payable to the holder of a Disputed Claim. In the event that a Disputed Claim is subsequently allowed, the Debtor shall thereafter pay the appropriate amount to the holder of the Claim in accordance with the terms of the Plan and in the same manner as any other creditor of the same Class.

XII. MEANS OF EXECUTION OF THE PLAN

A. General

The Debtor will fund the Plan from wages, ~~and~~ income received from the Cintra E. Fair Trust, and household income. The Debtor will fund the college expenses described in Class 3, in part, from the Maryland 529 Plan established for each of the Debtor's three children, with the balance to be paid from Debtor's wages and income he receives from the Cintra E. Fair Trust. Finally, the Debtor will fund the sum of \$21,000.00 due and payable on the Effective Date from the Debtor's retirement plan(s), or from non-estate property. If and to the extent the Court determines that Section 1129(a)(14) requires, as a condition of confirmation, that the Debtor pay the amount of the Child Support Obligation that became due and payable after the Petition Date, estimated to be no more than \$84,500.00, such amount will similarly be funded from non-estate property, and will not impact the feasibility of payments to holders of Class 1, 2 and Class 4 Claims. -The Debtor's financials are attached hereto as **Exhibit C**.

B. Disputes Regarding Disbursements

In the event of any dispute regarding a disbursement to be made to any ~~creditor~~ Creditor with an Allowed Claim or Interest, the Debtor shall not be required to distribute any funds but may place the same in an interest bearing escrow account pending resolution of the controversy.

C. Unclaimed Disbursement

In the event that payment of a distribution is returned as undeliverable or is not negotiated within one-hundred eighty (180) days after it is mailed, the Debtor shall re-send the check to the Creditor by certified mail with notice that the Creditor's failure to accept payment may result in forfeiture of future payments under the Plan. In the event the payment is further returned as undeliverable or not negotiated, the Debtor shall not be required to make any further distributions to such Creditor under the Plan, and the funds that otherwise would have been distributed to such Creditor may be made available for distribution to other Creditors pursuant to the Plan, *provided, however*, that the Debtor shall first provide written notice, by certified mail,

return receipt requested, to the Creditor that its payment was returned or otherwise not negotiated and allow such Creditor thirty (30) days to provide alternative payment instructions to the Debtor.

Any disbursements forfeited shall be returned to the Debtor and will be redistributed to ~~creditors~~ Creditors on a pro rata basis.

XIII. POST-CONFIRMATION PROFESSIONAL FEES

All reasonable fees for services rendered in connection with this Chapter 11 case and the Plan after the Effective Date, including those relating to the resolution of any pending ~~claims~~ Claims, shall be paid by Debtor as billed.

XIV. EXECUTORY CONTRACTS

Each executory contract and unexpired lease to which the Debtor was a party that has not already been assumed or rejected, either by motion or by specific designation in the Plan, shall be deemed automatically rejected as of the entry of the Confirmation Order, and the counterparty to such executory contract or unexpired lease shall be immediately entitled to obtain possession of the property subject to such executory contract or unexpired lease. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such assumptions and rejections pursuant to section 365 of the Bankruptcy Code. As set forth in the Plan, the Debtor intends to assume the unexpired lease of American Honda Finance Corporation, ~~and reject Paragraph 19 of the Marital Settlement Agreement.~~

XV. DEFAULT

An event of default under the Plan shall occur if the Debtor fails to make any payment required under the Plan, or to perform any other obligation required under the Plan, for more than ten (10) days after the time specified in the Plan for such payment or other performance ("Event of Default"). Upon the occurrence of an Event of Default, the Creditor shall serve by

first class mail to Debtor and Debtor's attorney a written notice of default and a ten (10) day opportunity to cure or to move to obtain from the Bankruptcy Court an extension of time to cure the default, or a determination that no default occurred. In the event the Debtor fails to cure the default or seek an extension to cure from the Bankruptcy Court, any Creditor or party-in-interest shall have the right to exercise their state court rights to enforce the amount owed under the Plan.

XVI. PREFERENCES AND AVOIDABLE TRANSFERS

Any action by Debtor or any other authorized party-in-interest to recover property of the estate and avoid any transfer pursuant to §§542, 543, 544, 547, 548 or 549 of the Bankruptcy Code, if not already completed, shall be commenced by the filing of a complaint pursuant to Bankruptcy Rule 7003 within sixty (60) days following the Effective Date. The Debtor is not aware of the existence of any avoidance actions.

XVII. - TAX CONSEQUENCES OF CONFIRMATION OF DEBTOR'S PLAN OF REORGANIZATION

The tax consequences of the Debtor's treatment of each ~~creditor~~-Creditor may vary, based upon a particular ~~creditor's~~-Creditor's individual circumstances. As a result, all ~~creditors~~ Creditors and parties-in-interest who may be affected by the Plan should consult their own tax advisor for a complete analysis of the tax consequences arising from their treatment upon confirmation of Debtor's Plan.

As of the Petition Date, Debtor had no liabilities to the IRS. Though the Debtor anticipates that he will incur a tax liability if, and to the extent, he funds the payment of \$21,000.00 (or such other amount) to the holder of the Class 3 Claim from his retirement plan(s), the Debtor intends to pay such taxes from funds in his retirement account at the time the distribution is made, such

~~that the The Debtor does not anticipate that the Chapter 11 e~~state will not incur ~~additional~~-tax liability arising from ~~the~~ confirmation of Debtor's Plan.

XVIII. VALUE OF THE DEBTOR'S ASSETS AND LIABILITIES

The Debtor's assets and liabilities are more fully shown in the Schedules of assets and liabilities [the "Schedules"] filed with the Bankruptcy Court by the Debtor. At the time the Schedules were filed or amended, they contained, to the best of Debtor's knowledge, information and belief, an accurate summary of the Debtor's assets and liabilities.

XVIII XIX. BINDING EFFECT OF THE PLAN

The confirmation of Debtor's Plan by the Bankruptcy Court constitutes a binding contract between the Debtor and all of his ~~ereditors~~Creditors, and is enforceable against each such ~~ereditor~~Creditor, whether or not each such ~~ereditor~~-Creditor accepted Debtor's Plan.

XIX. FEASIBILITY: DEBTOR'S ABILITY TO FUND THE PLAN

As discussed below, Debtor maintains that the Plan satisfies the feasibility requirement of §1129(a)(1) of the Bankruptcy Code.

Plan Funding

The Debtor will fund the Plan from wages, ~~as well as~~ income received from the Cintra E. Fair Trust, and from household income. The Debtor will fund college expenses described in Class 3, in part, from the Maryland 529 Plan established for each of the Debtor's three children, with the balance to be paid from Debtor's wages and the income he receives from the Cintra E. Fair Trust. Finally, the Debtor will fund the sum of \$21,000.00 due and payable on the Effective Date from the Debtor's retirement plan(s), or from non-estate property. If and to the extent the Court determines that Section 1129(a)(14) requires, as a condition of confirmation, that the Debtor pay the amount of the Child Support Obligation that became due and payable after the Petition Date, estimated to be no more than \$84,500.00, such amount will similarly be

funded from non-estate property, and will not impact the feasibility of payments to holders of Class 1, 2 and Class 4 Claims. –The Debtor’s financials are attached hereto as **Exhibit C**.

For purposes of the Plan, the total Child Support Obligation is \$203,000.00. It is unknown whether a~~A~~ dispute remainsexists between the Debtor and Ms. Carter ~~over the proper calculation of the Debtor’s outstanding child support obligation~~over the amount of the Child Support Obligation. ~~As set forth in Class 3,~~†The Debtor submits that based on the Marital Settlement Agreement, the aggregate child support obligation ~~through termination of child support~~is actually \$173,500.00, though the Debtor stipulates that for the purposes of the Plan, the Child Support Obligation shall be \$203,000.00. ~~is approximately \$227,000.00.~~ Ms. Carter, on the other hand, believes that the outstanding ~~child~~Child support~~Support obligation~~Obligation through termination is approximately ~~\$464,500.00~~\$261,500.00. Ms. Carter arrives at ~~that her~~ number by calculating child support through termination for each child, *without* providing the Debtor credit for the months that the children are away from home and living at college. As set forth in Paragraph 5(b) of the Marital Settlement Agreement, the Debtor is relieved from his child support obligation for a child while the child is away from home and living at college.

Accordingly, the Debtor asserts that given the proper credit for the time a child is away from home and living at college, the Child Support Obligation through termination is actually less than the stipulated amount of \$203,000.00. ~~Accordingly, the Debtor asserts that given the proper credit for the time a child is away from home and living at college, the outstanding child support obligation through termination is approximately \$227,000.00 in the aggregate.~~ ~~However,~~†To the extent the ~~child~~Child support~~Support obligation~~Obligation is determined to be greater than ~~\$227~~203,000.00, Class 1, 2 and Class 4 Creditors will not be impacted, as the ~~Debtor’s~~eChild ~~support~~Support obligation~~Obligation~~ extends beyond the five (5) year term of the Plan, and any increase in the ~~sum of child support~~Child Support Obligation will be paid ~~outside beyond~~ the

term of the Plan. The Debtor's child support calculation is attached hereto as Exhibit D.

Based upon the Debtor's projected income, the Debtor submits that adequate funding is available to satisfy all of his obligations under the Plan.

XXI. LIQUIDATION ANALYSIS

Creditors are advised that, as an alternative to the proposed confirmation and execution of the Debtor's Plan ~~of Reorganization~~ under Chapter 11 of the Bankruptcy Code, this case is subject to conversion to Chapter 7 of the Bankruptcy Code. In order to ascertain adequate information to make an informed decision concerning the acceptance or rejection of the proposed Plan, ~~creditors~~ Creditors should compare the amount of return on their claims under the Plan with the amount of return should the case be converted to a Chapter 7 proceeding.

Under Chapter 7 of the United States Bankruptcy Code, the Debtor would prepare substantially all of his assets for liquidation. The Office of the United States Trustee would appoint a trustee to direct the sale of the Debtor's assets, and to distribute the proceeds of the sale in compliance with the priorities established by the Bankruptcy Code. In the event that the case was converted, a Chapter 7 Trustee would have the discretion to liquidate the Debtor's assets pursuant to a forced or "quick sale" of such assets.

Pursuant to the exemptions provided under Maryland law, Debtor is permitted to exempt the value of certain property up to ~~Eleven~~ Twelve Thousand Dollars (~~\$44~~ \$12,000.00) from the bankruptcy estate. If the case were converted to a case under Chapter 7, Debtor would exercise his exemptions. The Debtor is also permitted to exempt property owned as tenants by the entirety and retirement and education plans, which the Debtor would do.

In this case, the Corewood Property (the Debtor's principal residence) and various household furnishings, books, pictures and art are owned ~~as~~ by the Debtor and his wife as tenants by the entirety. Similarly, the Debtor's Maryland 529 Plan and Individual Retirement

Accounts are exempt under applicable law. Furthermore, the Debtor has a contingent interest in the Cintra E. Fair Trust that is payable only upon the death of the trustee.

Based upon the value of Debtor's assets and the outstanding liens on certain of the assets, the liquidation of property of the estate under Chapter 7 would result in the following recovery

for ~~creditors~~ Creditors with ~~unsecured~~ Unsecured claims ~~claims~~ Claims against the Debtor individually:

(i)	Cash in the Bank	\$12,433.00
(ii)	2003 Honda CRV:	\$3,895.00
(iii)	2010 Toyota Highlander:	\$14,643.00
(iv)	Personal Property:	\$1,000

SUBTOTAL \$31,971.00²

(v)	Chapter 7 Administrative Costs	(\$3,947.00)
(vi)	Chapter 7 Administrative Expenses	(\$5,000.00)
(vii)	Chapter 11 Administrative Expenses	(\$20,000.00)

TOTAL \$3,024.00

If this case were liquidated under Chapter 7 of the Bankruptcy Code, the Debtor believes that there would be no funds available for ~~unsecured creditors~~ Class 4 General Non-Priority Unsecured Creditors. Any proceeds from the liquidation of Debtor's non-exempt assets would be used to satisfy the Claims of the holders of Class 1, Class 2 and Class 3 Claims. The Plan therefore offers a significantly more favorable treatment to ~~general~~ General unsecured ~~Unsecured nonpriority~~ Non-Priority creditors ~~Creditors~~ than such ~~creditors~~ Creditors would receive under Chapter 7.

Based upon the foregoing, the Debtor asserts that the Plan is in the best interest of ~~creditors~~ Creditors. In particular, ~~creditors~~ Creditors will receive a greater return on the ~~claim~~

² Subtotal is net of exemptions.

Claim under the Plan than they may upon a liquidation of the Debtor's assets.

XXII. DISCHARGE

Upon completion of payments under the Plan, the Debtor shall be entitled to a discharge and all remaining ~~elaims~~ Claims asserted against the Debtor by ~~ereditors~~ Creditors in each ~~elass~~ Class included the Plan, shall be, to the fullest extent permitted by §1141 of the Bankruptcy Code, satisfied, settled, released and discharged as against the Debtor, for any debt that arose before the Confirmation Date and any debt of a kind specified in §§502 and 503 of the Bankruptcy Code and all ~~elaims~~ Claims of any nature, whether or not (i) a proof of claim based on such debt or obligation is filed or deemed filed under §501 of the Bankruptcy Code, (ii) such Claim is allowed under §502 of the Bankruptcy Code, or (iii) the holder of such Claim has accepted the Plan.

XXIII. NEW VALUE CONTRIBUTION

In consideration of the Debtor's retention of non-exempt assets, the Debtor shall pay the sum of \$31,971.00 from non-estate assets within thirty (30) days from the Effective Date to be used to satisfy Administrative Claims of Debtor's Professionals.

XXIV. CONCLUSION

Debtor Michael Rudolph Ellis Carter proposes his Plan in an effort to treat each ~~ereditor~~ Creditor fairly. The Plan represents the Debtor's best attempt to maximize the value of his assets. The Plan accomplishes this result and ensures that all Creditors will be treated equitably. The Debtor therefore recommends acceptance of the Plan.

/s/ Michael Rudolph Ellis Carter
Michael Rudolph Ellis Carter

Respectfully submitted,

MCNAMEE, HOSEA, JERNIGAN, KIM
GREENAN & LYNCH, P.A.

/s/ James M. Greenan

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