IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

In re:	*	
MICHAEL D. COHEN, M.D., P.A., MICHAEL COHEN and SHARI COHEN,	*	Case No: 16-22231-DER Case No: 16-21513-DER
	*	(Chapter 11)
Debtors.		(Jointly Administered under
	*	Case No: 16-22231-DER)

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DEBTORS' DISCLOSURE STATEMENT
PURSUANT TO § 1125 OF THE BANKRUPTCY CODE

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Dated: March 15, 2018

TERMS OF CONSTRUCTION

Capitalized terms used and not otherwise defined in this Disclosure Statement shall have the meaning set forth in the Debtors' Joint Chapter 11 Plan of Reorganization (the "Plan") of Shari and Michael Cohen (the "Cohens") and Michael D. Cohen, M.D., P.A. (the "P.A."), as debtors and debtors in possession (the "Debtors"), a copy of which is **Exhibit 1** hereto and is incorporated herein by reference. In the event a capitalized term is not defined therein, then it shall have the meaning given in the Bankruptcy Code or the Bankruptcy Rules. In the event a capitalized term is not defined in the Plan, the Bankruptcy Code, or the Bankruptcy Rules, then it shall have the meaning such term has in ordinary usage, and if one or more meaning for such term exists in ordinary usage, then it shall have the meaning which is most consistent with the purposes of this Disclosure Statement, the Plan, and the Bankruptcy Code. The terms of this Disclosure Statement shall not be construed against any person but shall be given a reasonable construction, consistent with the purposes hereof and of the Plan and the Bankruptcy Code.

I. INTRODUCTION

A. Introduction and Summary

Michael and Shari Cohen filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on August 26, 2016 (the "Cohen Petition Date"). Michael D. Cohen, M.D., P.A. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on September 12, 2016 (the "P.A. Petition Date"). Since their respective Petition Dates, the Debtors have continued to manage their property and affairs as debtors and debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

The Bankruptcy Code requires that the party proposing a Chapter 11 plan of reorganization prepare and file with the Bankruptcy Court a document called a "disclosure statement". The Debtors prepared this Disclosure Statement in connection with solicitation of votes for acceptance of the Plan. This Disclosure Statement is intended to provide adequate information of a kind, and in sufficient detail, to enable the Debtors' Creditors to make an informed judgment about the Plan, including whether to accept or reject the Plan.

As described more fully herein, the Debtors assert that the Plan is in the best interests of all Creditors and the estates and urge the Holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their Ballots.

The Disclosure Statement provides the following categories of information:

Section	**Summary of Contents**
I.	Introduction
II.	Background information and Events leading to the Debtors' Chapter 11 Case
III.	A description of the Debtors' Chapter 11 Case
IV.	The Debtors' Assets and Liabilities
V.	Implementation of the Plan
VI.	Treatment of Claims and Interests under the Plan

To the extent that the information provided in this Disclosure Statement and the Plan (including any attached exhibits and Plan supplements) are in conflict, the terms of the Plan (including any attached exhibits and Plan supplements) will control. Creditors should refer only to this Disclosure Statement and the Plan to determine whether to vote to accept or reject the Plan.

The Debtors assert that approval of the Plan is indisputably in the best interests of the Debtors' Creditors. Creditors may request additional copies of this Disclosure Statement from the Debtors' counsel at the following address:

Paul Sweeney, Esquire
Yumkas, Vidmar, Sweeney & Mulrenin, LLC
10211 Wincopin Circle, Suite 500
Columbia, Maryland 21044

Pursuant to the Bankruptcy Code, only Creditors who actually vote on the Plan will be counted for purposes of determining whether the required number of acceptances have been obtained. Failure to deliver a properly completed Ballot by the Voting Deadline will result in an abstention; consequently, the vote will neither be counted as an acceptance nor rejection of the Plan.

B. Disclaimer

NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS, SUPPLEMENTS TO THE PLAN AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME HEREAFTER. ALL CREDITORS SHOULD READ CAREFULLY AND CONSIDER FULLY THE "RISK FACTORS" SECTION OF THIS DISCLOSURE STATEMENT BEFORE VOTING FOR OR AGAINST THE PLAN. TO THE EXTENT OF ANY INCONSISTENCY

BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS, OR ANY FUTURE ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, ESTOPPEL, OR WAIVER. NOTHING IN THIS DISCLOSURE STATEMENT OR THE PLAN SHALL CONSTITUTE AN ADMISSION THAT ANY CLAIM REFERENCED IS VALID OR SHOULD BE ALLOWED, AND THE DEBTORS RESERVE ALL RIGHTS TO OBJECT TO ALL CLAIMS.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE DEBTORS' CHAPTER 11 CASE AND FINANCIAL INFORMATION. ALTHOUGH THE DEBTORS BELIEVE THAT THE PLAN AND RELATED SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS IN THEIR VARIOUS FILINGS IN THIS CHAPTER 11 CASE AND FROM OTHER PARTIES' FILINGS, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. ANY VALUE GIVEN AS TO ASSETS OF THE DEBTORS IS BASED UPON AN ESTIMATION OF SUCH VALUE. ALTHOUGH THE DEBTORS HAVE UNDERTAKEN REASONABLE AND DILIGENT EFFORTS TO PRESENT ACCURATE AND COMPLETE INFORMATION, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE FINANCIAL INFORMATION, IS COMPLETELY ACCURATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED BY THE DEBTORS AND NOT BY THEIR COUNSEL, AND IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST THE DEBTORS. YOU ARE URGED TO CONSULT YOUR OWN COUNSEL AND FINANCIAL TAX ADVISORS ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS.

When this Disclosure Statement, as it may be amended, is approved by the Court, the Order approving this Disclosure Statement will set forth the deadlines, procedures and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the Plan. For those who are entitled to vote, a Ballot is also enclosed. Voting instructions accompany each Ballot. Each Holder of a Claim entitled to vote on the Plan should read this Disclosure Statement and Plan, the Order approving this Disclosure Statement, and the instructions accompanying the Ballot in their entireties before voting on the Plan. CONSULTATION WITH COUNSEL IS ALSO RECOMMENDED.

II. BACKGROUND INFORMATION AND EVENTS LEADING TO BANKRUPTCY

A. Overview

Michael and Shari Cohen are married individuals residing in Owings Mills, Maryland. Dr. Michael D. Cohen is the sole shareholder and President of Michael D. Cohen, M.D., P.A. with facilities at 1427 Clarkview Road, Suite 300, Baltimore, Maryland 21209 (the "Clarkview Road Facility")..

Dr. Cohen is the founder of Belcara Health, is board certified by the American Board of Plastic Surgeons and an active member of the American Society of Plastic Surgeons. Dr. Cohen is a native of Maryland and a Board Certified plastic surgeon who completed his residency at Stanford Medical Center before returning to Maryland. As a member of the American Society for Aesthetic Plastic Surgery, Dr. Cohen is among a select group of board certified plastic surgeons who have attained the highest level of achievement in cosmetic surgical training, continuing education and clinical experience. In addition, Dr. Cohen is a member of the American Society of Plastic Surgeons and the American College of Surgeons.

With over 25 years of experience, Dr. Cohen has performed thousands of procedures for patients who come from all over the world. Nationally acclaimed as a leading breast specialist, Dr. Cohen is one of the few surgeons in the nation designated as LEAD Surgeon in Mentor's Program "Leadership, Experience and Development in Breast Augmentation." Dr. Cohen has been honored with this selective designation for the last 10 consecutive years and has been named "Top Doc" by Baltimore Magazine from 2011 through and including 2017 for breast and body surgery.

The P.A. was formed as a corporation under the laws of the State of Maryland in 1996 to operate a medical practice led by Dr. Cohen's practice of plastic surgery. The P.A. is managed by CMG Partners, LLC ("CMG"), the managing member and owner of which is Shari Cohen. In 2005, an accredited surgery center known as Cosmetic Surgery Center of Maryland, LLC ("CSC"), was formed. Dr. Cohen and Mrs. Cohen each hold 50% of the membership interest in CSC. Also in 2005, CMG was formed to be the management company for the P.A. and its affiliates. Mrs. Cohen holds 100% of the membership of CMG.

Over the years Dr. Cohen's practice grew and became a very successful practice which operated under the name of Cosmetic Surgery Center of Maryland. In 2013, plans were developed to open a new 17,000 square foot medical multi-specialty center complete with accredited ambulatory surgical center. Over the next year, a dermatology practice was purchased by the P.A. and an ophthalmology practice was added to complete the vision of the multi-specialty center.

Evalla, LLC was formed in 2013, with Dr. and Mrs. Cohen each holding a 50% membership interest, and in June 2014 the multi-specialty center with ambulatory surgery center opened under the name of Belecara, now known as Belcara Health. In addition, after the P.A. was forced to seek relief in bankruptcy, as described below, to attract physicians who did not want to be employed by a medical practice in bankruptcy, Clarkview Physicians, LLC was formed in late 2016 with Dr. Cohen as the sole member. Dr. Cohen provides no medical services through Clarkview Physicians, LLC. All of these entities now operate under the name of Belcara Health at the Clarkview Road Facility. Belcara Health, through CMG, employs approximately 35 employees, including physicians, and services the entire state of Maryland and surrounding states. The lease for the Clarkview Road Facility is held by CMG. The P.A. is not a party to the lease.

B. Events Leading to Bankruptcy

In May 2012, the Debtors were served with a summons and complaint for an action filed in the Circuit Court for Baltimore County by a former non-physician employee, Dawn Richardson. Ms. Richardson claimed ownership and lost profits in a skin care business known as Skin, Inc. (the "Richardson Litigation"). Even though Skin, Inc. was liquidated under the supervision of the Circuit Court for Baltimore County in a receivership proceeding, in May 2016, after a jury trial, the Baltimore County Circuit Court entered a judgement against the Debtors in the amount of $1,275,000.00 based on claims of *quantum meruit* and unjust enrichment. The court denied a motion to strike the jury verdict and, on September 9, 2016, the Debtors filed an appeal from the judgment. Oral argument was held on October 10, 2017, but as of the date of this Disclosure Statement, the Court of Special Appeals has not yet ruled on the appeal.

In June 2014, a legal action was filed against CMG by Bella Cosmetic Surgery in Oxen Hill, Maryland, alleging trademark infringement. That suit eventually was resolved but not without substantial expense.

At a critical time during the expansion of Dr. Cohen's medical practice, the Debtors were forced to expend very large sums of monies on legal fees and expenses to fund the defenses of these lawsuits. In addition, the Debtors incurred substantial loan obligations with M&T Bank to fund the build-out and establishment of Belcara Health at the Clarkview Road Facility. Due to these confluence of circumstances resulting in financial difficulties, funds from operations of the medical practice were insufficient to meet certain tax obligations. In 2015, a physician employee of the P.A. left the practice which resulted in the loss of hundreds of thousands of dollars in revenue used to cover fixed and variable overhead expenses.

In 2016, Ms. Richardson initiated aggressive actions to enforce her judgments against the Debtors, including efforts to disrupt operations of the P.A. To protect the P.A. from those enforcement actions, the Debtors sought bankruptcy protection under Chapter 11 of the Bankruptcy Code to restructure and reorganize their financial obligations.

III. THE BANKRUPTCY CASE

A. The Bankruptcy Filings

On the Cohen Petition Date, the Cohens filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. The Bankruptcy Court notified the parties that the meeting of creditors would take place on October 5, 2016, that the last day to file Proofs of Claim for all non-governmental Creditors was January 3, 2017, and that the last day to file Proofs of Claim for governmental units was February 22, 2017.

On the P.A. Petition Date, the P.A. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. On September 12, 2016, counsel for the P.A. filed a Motion for Joint Administration of its case along with the petition filed by the Individual Debtors. That motion as granted by the United States Bankruptcy Court on September 16, 2016 [Doc. 32]. The Bankruptcy Court notified the parties that the meeting of creditors would take place on October 5, 2016, that the last day to file Proofs of Claim for all Creditors, except governmental units was January 3, 2017, and that the last day to file Proofs of Claim for governmental units is February 22, 2017.

B. Continuation of the Debtors' Affairs

After the Petition Date, the Debtors have continued to manage their business and affairs as debtors in possession under the Bankruptcy Code. Pursuant to the Bankruptcy Code, the Debtors are required to comply with certain statutory reporting requirements, including the filing of monthly operating reports, which the Debtors have done consistently. In addition, the Debtors have been in full compliance with their current federal and state tax obligations arising after the Petition Date.[1]

C. Professionals Retained

In connection with the commencement of the Chapter 11 Cases, the Individual Debtors obtained Bankruptcy Court approval for the retention of Yumkas, Vidmar, Sweeney & Mulrenin, LLC as their bankruptcy counsel. The Individual Debtors also obtained the retention of Glass Jacobson Financial Group LLC as accountants. The P.A. obtained Bankruptcy Court approval for the retention of Cole Schotz P.C. as its bankruptcy counsel. The P.A. also obtained the approval of the retention of Jill Heard and Glass Jacobson Financial Group and RS&F Healthcare Advisors as ordinary course professionals, and for the retention of Mathew S. Sturtz, Esquire and Miles and Stockbridge P.C. as special counsel for the purpose of prosecuting an appeal of the Richardson Litigation. The P.A. has also obtained the Bankruptcy Court's approval for the retention of Fox Commercial Auctions, LLC to value the equipment and other tangible property owned by the P.A. and its affiliates..

D. The Debtors' Chapter 11 Plan

The Debtors filed their Joint Plan of Reorganization on February 26, 2018 [Doc. 234].

IV. THE DEBTORS' ASSETS AND LIABILITIES

A. The Debtors' Schedules

On October 3, 2016, the Individual Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs (the "Individuals' Schedules and Statements"). The Individuals' Schedules and Statements are part of the public record of the filings in this case.

On October 17, 2016, the P.A. filed its Schedules of Assets and Liabilities and Statements of Financial Affairs (the "P.A. Schedules and Statements"). The P.A. Schedules and Statements are part of the public record of the filings in this case.

B. Assets

1. <u>Real Property</u>. The Individual Debtors own their Home at 1253 Berans Road, Owings Mills, Maryland 21117. That Home has a scheduled value of $693,200.00. The P.A. has no real property, although it does share occupancy of the Clarkview Road Facility with the Affiliated Entities.

2. <u>Personal Property</u>. In addition to the Home, the Individual Debtors own household goods and other personal property. The P.A. owns office furniture and supplies,

[1] There is a disputed late-filing penalty charge by the IRS for the Individual Debtors' 2016 income tax return, which the Debtors are investigating and believe may be mistaken.

medical equipment, and other tangible and intangible property, all of which are subject to Liens held by multiple Secured Creditors.

3. Income. Since the formation of the P.A. in 1996 up until a few years prior to bankruptcy, Dr. Cohen's income increased every year with the increase of revenue, generating substantial income for him. In 2012 and 2013, Dr. Cohen earned approximately $640,000.00 and $650,000, respectively. At the time of Mrs. Richardson's enforcement actions against the Debtors, Dr. Cohen spent substantial portions of his personal income to pay for the defense of the Richardson Litigation. Mrs. Cohen, who once earned $250,000.00 per year for the management of the medical practices, has not taken a salary since 2014 due to the cash demands on the medical practices.

C. Liabilities

1. Administrative Expenses. The Debtors have incurred and continue to incur liabilities for Professional fees and expenses in connection with this jointly-administered Chapter 11 Case. Although the Debtors have been paying their professionals during the Chapter 11 cases, they estimate that, as of the Effective Date, they will have unpaid administrative liability of approximately $50,000.00 for accrued fees and expenses of Professionals in this Chapter 11 Case. This is only an estimate which depends on the length and extent of future court proceedings, and actual Administrative Expenses may be substantially higher, especially if confirmation is contested.

2. Secured Claims. The P.A.'s Secured Creditors are included in Class 2 of the Plan, with each separate Secured Creditor placed in a separate sub-class. They include M&T Bank, which is the Debtors' most significant Secured Creditor based on the amount of its Claim as well as the fact that it holds a blanket Lien on the personal property owned by the P.A. and its affiliates and located at the Clarkview Road Facility. Other Secured Creditors hold Liens for specific equipment or software, including Bank of America; Bank Midwest; and Stearns Bank N.A. Although the Plan provides for a potential Secured Claim held by SunTrust, SunTrust has no Lien on any asset of the P.A., and is a Secured Creditor of Dr. Cohen, not the P.A. Under the Bankruptcy Code, the Secured Claims will be Allowed in amounts based on the value of the Secured Creditors' respective Collateral. To the extent the Secured Creditors are owed more than the value of their respective Collateral, they will have a deficiency claim that will be treated as a General Unsecured Claim.

The Individual Debtors' Secured Creditors are included in Class 3 of the Plan, with each separate Secured Creditor placed in a separate sub-class. They consist of Wells Fargo Bank, N.A., Wells Fargo Home Mortgage and SunTrust Bank. As detailed in the Plan, the Class 3C Claim of Dawn Richardson is based on a judgment lien obtained within 90 days of the Individual Debtors' Petition Date and is avoidable as a preference under Sections 547 and 550 of the Bankruptcy Code as well as under Section 522(f) of the Bankruptcy Code. Richardson's Secured Claim therefore is disputed and the Debtors believe that if her Claim is not entirely disallowed due to reversal of the judgment on appeal, in any event t will not constitute a Secured Claim and will be a disputed general unsecured Claim. Based on a preliminary review, the Individual Debtors' Secured Creditors hold the following claims as set out in their filed proofs of claim: Wells Fargo Bank, N.A., (first priority deed of trust on 1253 Berans Court) in the amount of $403,726.18 [Claim 3-1]; Wells Fargo Bank, N.A., (second priority line of credit on 1253 Berans Court) in the amout of $352,179.29 [Claim 5-1]; and SunTrust Bank, (purchase money lien on 2015 Jeep Cherokee) $25,641.95 [Claim 2-1]. These Secured Claims against the Individual Debtors' estate total the approximate amount of $782,814.00.

3. Priority Tax Claims. In the Individual Debtors' Case, the Department of the Treasury/Internal Revenue Service has filed a proof of claim, as amended, for Priority Tax

Claims in the amount of $523,151.18. In the P.A. Case, the only Priority Tax Claim is that of Baltimore County for personal property tax year commencing on July 1, 2016, prior to the Petition Date, in the amount of $10,992.62.

4. Unsecured Claims. As of the Petition Date, the P.A. recorded a total of approximately $2.7 million in Unsecured Claims, as reflected in the P.A.'s Bankruptcy Schedules, including Disputed Claims and excluding deficiency claims held by Secured Claims greater in value than the amount of such creditors' Collateral. .As of the Petition Date, the Individual Debtors recorded a total of approximately $4.3 million in Unsecured Claims, including Disputed Claims and excluding deficiency claims held by Secured Claims greater in value than the amount of such creditors' Collateral, The Debtors anticipate objecting to Disputed Claims and have not yet prepared an analysis of the projected total General Unsecured Claims in the Cases. Based on the structure of the Plan, the ultimate total of Allowed General Unsecured Claims will not affect each Holder's recovery under the Plan, which is based on a fixed percentage of each such Holders' Allowed Claim. However, the elimination of Disputed Claims certainly will enhance the Debtors' abilities to fulfill all of their obligations under the Plan.

V. THE PLAN

A. Purpose of Reorganization

The purpose of the Plan is to provide a means for the Debtors to reorganize their financial affairs and restructure their obligations, in a way that will allow the P.A. and its affiliates to continue their medical practices rather than to shut down.

B. Overview

Upon confirmation of this Plan, the Reorganized P.A. will continue its legal existence and the Debtors will be re-vested with title to all property and property rights of their respective Estates (including, but not limited to, all Causes of Action), except to the extent that the Plan expressly provides otherwise.

The Reorganized P.A. shall be authorized to operate its business and to use, sell, lease or otherwise dispose of all property and assets free of any restrictions contained in the Bankruptcy Code or Bankruptcy Rules, but subject to the provisions of the Plan. On and after the Effective Date, unless expressly provided otherwise in the Plan, the Reorganized P.A. may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Causes of Action (excluding Avoidance Actions) without supervision or approval by the Bankruptcy Court, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. The Individual Debtors will continue to manage and to operate the Affiliated Entities.

On the Effective Date, the Old Equity Interests in the P.A. will be deemed canceled and extinguished. As of the Effective Date, Dr. Cohen shall be the sole holder of the New Equity of the Reorganized P.A. In consideration for the New Equity, Dr. Cohen will continue to accept as compensation for his services to the P.A. below-market compensation in an amount that shall not exceed 40% of the P.A. revenues generated from Dr. Cohen's services during the three (3) years after the Effective Date.

On the Effective Date, or as soon thereafter as is practicable, (i) the P.A.'s articles of incorporation and bylaws, or if applicable operating agreement, shall be amended as necessary to comply with the provisions of Section 1123(a)(6) of the Bankruptcy Code and otherwise in a manner not inconsistent with this Plan, and (ii) the Reorganized P.A. shall execute and deliver all documents, instruments and agreements that are necessary to implement this Plan.

The New Equity Purchase Price shall be deemed paid by Dr. Cohen's post-Confirmation Date compensation, which shall be materially lower than the market rate of compensation for a surgeon of similar qualifications in this geographic area, for the three (3) years following the Effective Date. The Debtors believe that based on Dr. Cohen's experience, reputation, and productivity, the median salary or compensation for a comparable surgeon in the mid-Atlantic region is approximately $735,000.00, or 48 % of collections. In contrast, under the Plan Dr. Cohen expects that his compensation for services provided to the P.A. and the patients of the P.A. will be approximately $450,000 in the first year after the Effective Date and approximately $550,000, based on approximately 35% of collections, in the next two years after the Effective Date.

The Reorganized P.A. shall make the payments to holders of Allowed Claims in Classes 1, 2, 4, and 6 pursuant to the Plan from revenues of the Reorganized P.A. subsequent to the Confirmation Date.

The Individual Debtors shall make payments to holders of Allowed Claims in Classes 1, 3, 4, 5 and 6 pursuant to the Plan from their post-Confirmation Date income during the three (3) years following the Effective Date.

VI. TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

A. Treatment of Classified Claims under the Plan

1. Administrative Expense Creditors

Administrative Expense Creditors are unimpaired under the Plan and conclusively deemed to have accepted the Plan pursuant to § 1126(f) of the Bankruptcy Code. Therefore, the Holders of Allowed Administrative Expense Claims are not entitled to vote to accept or reject the Plan.

Except as otherwise provided below, each Holder of an Allowed Administrative Expense Claim (including Allowed Administrative Expense Claims of Professionals) shall be paid (a) an amount, in Cash, by the Debtors equal to the Allowed amount of its Administrative Expense Claim, in accordance with § 1129(a)(9)(A) of the Bankruptcy Code, on the later of (i) the Effective Date, or as soon thereafter as reasonably practicable, or (ii) as soon as practicable after the date of a Final Order allowing such Administrative Expense Claim, (b) under such other terms as may be agreed upon by both the Holder of such Allowed Administrative Expense Claim and the Debtors, or (c) as otherwise ordered by a Final Order of the Bankruptcy Court.

All Allowed Administrative Expense Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Case shall be paid by the Debtors (a) in the ordinary course of business in accordance with contract terms, (b) under such other terms as may be agreed upon by both the Holder of such Allowed Administrative Expense Claim and the Debtors, or (c) as otherwise ordered by a Final Order of the Bankruptcy Court.

2. Priority Tax Creditors

Priority Tax Creditors are unimpaired under the Plan and conclusively deemed to have accepted the Plan pursuant to § 1126(f) of the Bankruptcy Code. Therefore, the Holders of Allowed Priority Tax Claims are not entitled to vote to accept or reject the Plan.

Pursuant to § 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the holder of an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim will receive, in full satisfaction of its unpaid Priority Tax Claim, regular quarterly installment payments in Cash beginning no later than 120 days after the Effective Date, of a total value, as of the Effective Date, equal to the allowed amount of such claim over a period ending not later than five (5) years after the Petition Date with interest at the rate of three percent (3%) annually. The Debtors will negotiate with the Internal Revenue Service to address any unpaid balance due in the event that such taxes are not fully paid within the Plan period.

Priority Tax Claim Holders will receive 100% of the amount of their Allowed Claims.

3. <u>Class 1 (M&T Bank)</u>

The amount of the Allowed Class 1 Claim shall be the fair market or going concern value of the property of the PA on which M&T Bank has a duly perfected and valid first priority Lien, determined as of the Confirmation Date by agreement of the Debtors and M&T Bank and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Debtors have engaged a well-respected appraiser, Fox Commercial, to appraise M&T Bank's collateral, as well as all of the personal property owned by the P.A. and its affiliates, but as of the date of this Disclosure Statement, the Debtors do not yet have the results of that appraisal. The Allowed Class 1 Claim shall be paid in full, with interest at the non-default rate of interest set forth in the M&T Bank loan documents, in monthly installments in an amount mutually acceptable to M&T Bank and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The M&T Bank loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by M&T Bank and the Debtors, and M&T shall retain a first priority Lien on its collateral. As of the Confirmation Date, all events of default under the M&T Bank loan documents shall be deemed to be cured. This Plan shall not impair or affect M&T Bank's rights with respect to the Affiliated Entities.

Class 1 is Impaired, and the holder of the Allowed Class 1 Claim is entitled to vote to accept or reject this Plan.

4. <u>Class 2 (Other P.A. Secured Creditors)</u>

a. <u>Class 2A (Bankers Leasing)</u>. The amount of the Allowed Class 2A Claim shall the fair market or going concern value of the property of the PA on which Bankers Leasing has a duly perfected and valid first priority Lien, determined as of the Confirmation Date by agreement of the Debtors and Bankers Leasing and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Allowed Class 2A Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the Bankers Leasing loan documents, in monthly installments in an amount mutually acceptable to Bankers Leasing and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The Bankers Leasing loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by Bankers Leasing and the Debtors, and Bankers Leasing shall retain a first priority Lien on its collateral to the same extent it held such a Lien as of the Petition Date. As of the Confirmation Date, all events of default under the Bankers Leasing loan documents shall be deemed to be cured.

Class 2A is Impaired, and the holder of the Class 2A Claim is entitled to vote to accept or reject this Plan.

b. <u>Class 2B (Bank of America, N.A.)</u>. The amount of the Allowed Class 2B Claim shall the fair market or going concern value of the property of the PA on which Bank of America, N.A. has a duly perfected and valid first priority Lien, determined as of the

Confirmation Date by agreement of the Debtors and Bank of America, N.A. and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Allowed Class 2B Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the Bank of America, N.A. loan documents, in monthly installments in an amount mutually acceptable to Bank of America, N.A. and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The Bank of America loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by Bank of America, N.A. and the Debtors, and Bank of America, N.A. shall retain a first priority Lien on its collateral to the same extent it held such a Lien as of the Petition Date. As of the Confirmation Date, all events of default under the Bank of America, N.A. loan documents shall be deemed to be cured.

Class 2B is Impaired, and the holder of the Allowed Class 2B Claim is entitled to vote to accept or reject this Plan.

c. Class 2C (Bank Midwest). The amount of the Allowed Class 2C Claim shall the fair market or going concern value of the property of the PA on which Bank Midwest has a duly perfected and valid first priority Lien, determined as of the Confirmation Date by agreement of the Debtors and Bank Midwest and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Allowed Class 2C Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the Bank Midwest loan documents, in monthly installments in an amount mutually acceptable to Bank Midwest and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The Bank Midwest loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by Bank Midwest and the Debtors, and Bank Midwest shall retain a first priority Lien on its collateral to the same extent it held such a Lien as of the Petition Date. As of the Confirmation Date, all events of default under the Bank Midwest loan documents shall be deemed to be cured.

Class 2C is Impaired, and the holder of the Allowed Class 2C Claim is entitled to vote to accept or reject this Plan.

d. Class 2D (PNC Bank, N.A.). PNC Bank, N.A.'s Secured Claim is believed to be subordinate or junior to the Lien held by M&T Bank. Therefore, the Debtors do not believe PNC Bank, N.A. has a Secured Claim and that there shall be no Allowed Class 2D Claim. In the event that the Court determines that there is an Allowed Class 2D Claim, the Allowed Class 2D Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the PNC loan documents, in monthly installments in an amount mutually acceptable to PNC and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. Solely with respect to any Allowed Class 2D Claim, the PNC loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by PNC Bank, N.A. and the Debtors. As of the Confirmation Date, all events of default under the PNC loan documents shall be deemed to be cured.

Class 2D is Impaired, and the holder of the Allowed Class 2D Claim, if any, is entitled to vote to accept or reject this Plan.

e. Class 2E (Stearns Bank N.A.). The amount of the Allowed Class 2E Claim shall the fair market or going concern value of the property of the PA on which Stearns Bank N.A. has a duly perfected and valid first priority Lien, determined as of the Confirmation Date by agreement of the Debtors and Stearns Bank N.A. and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Allowed Class 2E Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the Stearns Bank N.A. loan documents, in monthly installments in an amount mutually acceptable to Stearns Bank N.A. and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The Stearns Bank N.A. loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by Stearns Bank N.A. and the Debtors, and Stearns Bank N.A. shall retain a first priority Lien on its collateral to the same extent it held such a Lien as of the Petition Date. As of the Confirmation Date, all events of default under the Stearns Bank N.A. loan documents shall be deemed to be cured.

Class 2E is Impaired, and the holder of the Allowed Class 2F Claim is entitled to vote to accept or reject this Plan.

f. Class 2F (SunTrust Bank). The amount of the Allowed Class 2F Claim shall the fair market or going concern value of the property of the PA on which SunTrust Bank. has a duly perfected and valid first priority Lien, determined as of the Confirmation Date by agreement of the Debtors and SunTrust Bank and/or as determined and approved by the Court at the Confirmation Hearing, in accordance with 11 U.S.C. §506(a). The Allowed Class 2F Claim, if any, shall be paid in full, with interest at the non-default rate of interest set forth in the SunTrust Bank loan documents, in monthly installments in an amount mutually acceptable to SunTrust Bank and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. The SunTrust loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by SunTrust Bank and the Debtors, and SunTrust Bank shall retain a first priority Lien on its collateral, if any, to the same extent it held such a Lien as of the Petition Date. As of the Confirmation Date, all events of default under the SunTrust Bank. loan documents shall be deemed to be cured.

Class 2F is Impaired, and the holder of the Allowed Class 2F Claim, if any, is entitled to vote to accept or reject this Plan.

g. Class 2G (Other Secured Claims, if any). In the event that the Court determines at the Confirmation Hearing that there are Allowed Secured Claims other than those in Classes 2A through 2F, any such Allowed Class 2G Claim shall be paid in full, with interest at the non-default rate of interest set forth in the Class 2G holder's loan documents, in monthly installments in an amount mutually acceptable to such Class 2G holder and the Debtors or, in the absence of such agreement, as approved by the Court at the Confirmation Hearing. Solely with respect to any Allowed Class 2G Claim, the Class 2G creditor's loan documents shall continue in effect except as modified by this Plan or as otherwise mutually agreed by the Class 2G creditor and the Debtors. As of the Confirmation Date, all events of default under any Class 2G loan documents shall be deemed to be cured.

Class 2G is Impaired, and the holder of any Allowed Class 2G Claim is entitled to vote to accept or reject this Plan.

5. Class 3 (Secured Claims against the Individual Debtors)

a. Class 3A (Wells Fargo Bank, N.A.). Within thirty (30) days after the Effective Date, any payment defaults not previously cured shall be cured and all terms of the Wells Fargo mortgage loan documents shall be reinstated and shall continue in effect, and Wells Fargo shall retain its Lien on the Home. The Individual Debtors shall continue to make payments to Wells Fargo in accordance with the Wells Fargo Class 3A mortgage loan documents. As of the Confirmation Date, all events of default under the Class 3A loan documents shall be deemed to be cured.

Class 3A is not Impaired, and the holder of the Allowed Class 3A Claim is not entitled to vote and is deemed to accept the Plan.

b. Class 3B (Wells Fargo Bank, N.A. Home Equity Account). Within thirty (30) days after the Effective Date, any payment defaults not previously cured shall be cured and all terms of the Wells Fargo home equity account shall be reinstated and shall continue in effect, and Wells Fargo shall retain its Lien on the Home._The Allowed Class 3B Claim shall be paid in monthly payments with an interest rate of 4.5%, based on a 30-year amortization schedule with a balloon payment of the remaining balance due on the original maturity date of December 16, 2047. Such monthly payments will commence on the first day of the first full month following the Effective Date. The Holder of the Wells Fargo Class 3B Claim shall retain its prepetition lien on the Home up to the value that secures the payments provided under the Plan. As of the Confirmation Date, all events of default under the Class 3B loan documents shall be deemed to be cured.

Class 3B is not Impaired, and the holder of the Allowed Class 3B Claim is not entitled to vote and is deemed to accept the Plan. [revisit after payment provision added].

c. Class 3C (Dawn Richardson). The Class 3C Claim is entirely Disputed. To the extent that Ms. Richardson has a Lien on the Home, it is avoidable as a preference under 11 U.S.C. §§ 547 and 550, as well as being subject to avoidance pursuant to 11 U.S.C. § 522 as an involuntary judgment lien impairing exemptions. The Class 3C Claim therefore shall receive no payment under the Plan.

Because the Class 3C Claim, and its alleged Lien, is entirely Disputed, it shall not be entitled to vote on the Plan unless the Court determines otherwise.

d. Class 3D (SunTrust Bank). Within thirty (30) days after the Effective Date, any payment defaults not previously cured shall be cured and all terms of the SunTrust Bank automobile loan documents shall be reinstated and shall continue in effect, and SunTrust Bank shall retain its Lien on the 2015 Jeep Cherokee that is the subject of the Class 3D Claim. The Individual Debtors shall continue to make payments to SunTrust Bank in accordance with the SunTrust Bank loan documents.

Class 3D is not Impaired, and the holder of the Allowed Class 3D Claim is not entitled to vote to accept or reject the Plan.

e. Class 3E (Other Secured Claims against Individual Debtors). The Debtors do not believe there are any Class 3E Claims. To the extent any exist, except to the extent that a holder of an Allowed Class 3E Claim against agrees to a different treatment of such Claim, on the later of the Effective Date, or as soon as is reasonably practicable after such Allowed 3E Claim is Allowed, each holder of an Allowed Class 3E Claim shall receive payment of one hundred percent (100%) of the Allowed amount of such Claim over a period of three (3) years.

Class 3E, if any such Claims exist, is Impaired, and holders of Class 3E Claims, if any, are entitled to vote to accept or reject the Plan.

6. Class 4 (Priority Non-Tax Claims)

The Debtors are not aware of any outstanding Priority Non-Tax claims. To the extent any exist, except to the extent that a holder of an Allowed Class 4 Claim against the Debtors agrees to a different treatment of such Claim, on the later of the Effective Date, or as soon as is reasonably practicable after such Allowed Priority Non-Tax Claim is Allowed, each holder of an Allowed Class 4 Claim shall receive payment of one hundred percent (100%) of the Allowed amount of such Claim after the Allowed Class 1 Claim is paid in full or otherwise treated as provided for under the Plan.

Class 4 is unimpaired under the Plan. Each holder of an Allowed Class 4 Claim is deemed to accept the Plan and is not entitled to vote to accept or reject the Plan.

7. Class 5 (Priority Tax Claims)

In full and final satisfaction and discharge of each Allowed Class 5 Claim, each holder of an Allowed Class 5 Claim shall be paid by the Debtor subject to such Claim regular installments of cash having a total value as of the Effective Date, equal to the Allowed Amount of such Allowed Class 5 Claim, over a period of five (5) years following the Petition Date, or in accordance with such other terms on which the particular Debtor subject to such Allowed Class 5 Claim and the holder of the Allowed Class 5 Claim may agree.

Class 5 is not Impaired under the Plan. Each holder of an Allowed Class 5 Claim is deemed to accept the Plan and is not entitled to vote to accept or reject the Plan.

8. Class 6 (General Unsecured Claims against the P.A.)

Each holder of an Allowed Class 6 Claim shall be paid its Pro Rata share of the Class 6 Pool by the P.A., in quarterly installments beginning on the second anniversary date of the Effective Date and continuing for the next seven (7) quarters or until such amount is fully paid.

Class 6 is Impaired, and the holder of any Allowed Class 6 Claim is entitled to vote to accept or reject this Plan.

9. Class 7 (General Unsecured Claims against Individual Debtors)

Each holder of an Allowed Class 7 Claim shall be paid its Pro Rata share of the Class 7 Pool by the Individual Debtors, in quarterly installments beginning on the second anniversary date of the Effective Date and continuing for the next seven (7) quarters or until such amount is fully paid.

Class 7 is Impaired, and the holder of any Allowed Class 7 Claim is entitled to vote to accept or reject this Plan.

10. Class 8 (Equity Interests)

On the Effective Date, all Class 8 interests will be extinguished or cancelled and 100% of the equity of the Reorganized P.A. shall be issued to Dr. Cohen in exchange for Dr. Cohen continuing to accept as compensation for his services to the P.A. below-market compensation in an amount that shall not exceed 40% of the P.A. revenues generated from Dr. Cohen's services during the three years after the Effective Date or for as long as necessary so that the difference between Dr. Cohen's fair market compensation and actual compensation shall total no less than the fair value of the New Equity as of the Confirmation Date (the New Equity Purchase Price).

Class 8 is Impaired under the Plan, and the holders of Allowed Class 8 Equity Interests are entitled to vote to accept or reject the Plan, notwithstanding 11 U.S.C. §1126(g) subject to the Court's determination otherwise.

VII. VOTING PROCEDURES AND REQUIREMENTS

Please refer to information provided with the Ballot in the solicitation package sent to you by the Debtors' counsel for further detailed voting instructions. Only Impaired

Classes of Claims are entitled to vote. If the Claim or Claims you hold are not in one of those Classes, you are not entitled to vote, and thus you will not receive a Ballot from the Debtors' counsel. Holders of Claims that are entitled to vote should read the Ballot provided by the Debtors' counsel and follow the accompanying instructions carefully.

ANY QUESTIONS CONCERNING THE BALLOT OR ANY OTHER CONTENTS OF THE SOLICITATION PACKAGE SHOULD BE DIRECTED TO THE DEBTORS' COUNSEL AT 443-569-5972 OR BY EMAIL AT PSWEENEY@YVSLAW.COM.

A. Vote Required for Acceptance by a Class

As a Holder of an Allowed Claim in a voting Class, your acceptance of the Plan is very important. At least one voting Class must vote to accept the Plan. If any voting Class votes to accept the Plan, the Debtors will attempt to invoke the "cramdown" provisions of the Bankruptcy Code with respect to Holders of any Claims in a Class that votes to reject the Plan.

A Class of Claims entitled to vote to accept or reject the Plan shall be deemed to accept the Plan if the Holders of Claims in such voting Class that hold at least two-thirds in amount and more than one-half in number of the Claims that vote in such Class vote to accept the Plan.

B. Classes Entitled to Vote

Pursuant to § 1126 of the Bankruptcy Code, each Impaired Class of Claims that will receive a Distribution pursuant to the Plan may vote separately to accept or reject the Plan. Each Holder of an Allowed Claim in such an Impaired Class as of the Voting Record Date shall receive a Ballot and may cast a vote to accept or reject the Plan.

C. Classes Not Entitled to Vote

The following Holders of Claims are not entitled to vote if, as of the Voting Record Date, the Claim (i) has been disallowed, (ii) is the subject of a pending objection, or (iii) was listed on the Debtors' Schedules as unliquidated, contingent or disputed and a Proof of Claim was not filed or was filed for an unliquidated, contingent or Disputed Claim, unless on or before the Voting Record Date the Bankruptcy Court enters a Final Order directing otherwise. However, if a Claim is disallowed in part, the Holder shall be entitled to vote the Allowed portion of the Claim.

D. Voting Procedures

The Debtors' counsel will facilitate the solicitation and voting process. If you have any questions regarding voting procedures and your eligibility to vote to accept or reject the Plan, or if you need additional copies of documents included in the solicitation package, please contact the Debtors' counsel at the below mailing address, phone number, and email address:

For the Individual Debtors:

Paul Sweeney, Esquire
Yumkas, Vidmar, Sweeney & Mulrenin, LLC
10211 Wincopin Circle, Suite 500
Columbia, Maryland 21044
443-569-5972
psweeney@yvslaw.com

For the P.A.:

Irving E. Walker, Esquire
300 East Lombard Street, Suite 1450
Baltimore, MD 21202
410- 230-0660
iwalker@coleschotz.com

BALLOTS CAST BY HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST BE ACTUALLY RECEIVED BY THE DEBTORS' COUNSEL AT THE ABOVE ADDRESS BY THE VOTING DEADLINE. THE DEBTORS RESERVE THE RIGHT TO DECIDE WHETHER OR NOT TO COUNT BALLOTS RECEIVED BY THE DEBTORS' COUNSEL AFTER THE VOTING DEADLINE.

If a Ballot is damaged or lost, you may contact the Debtors' counsel to request another Ballot. Any Ballot received by the Debtors' counsel which does not indicate an acceptance or rejection of the Plan will not be counted.

VIII. OTHER PLAN COMPONENTS

A. Determination of Claims

The Debtors reserve the right to seek the estimation of any contingent Claim, including Claims arising from any guarantees executed by the Debtors. The Debtors also reserve the right to object to any Disputed Claim and to seek estimation for purposes of voting on the Plan.

B. Distribution Procedures

Only Allowed Claims may receive Distributions under and in accordance with the Plan.

If any Claim is the subject of an objection filed with the Court, or is based on a judgment which remains subject to appeal or to which an appeal is pending, any payments to be made to the Holder on account of such Claim shall be withheld and reserved until such time as the objection is resolved by settlement or a final and unappealable order of the Court is entered. Instead, the amount which would have been distributed on the disputed Claim if it were an Allowed Claim in the face amount of the Claim (the "Reserved Distribution") shall be withheld by the Debtors and deposited into a separate interest-bearing account until the disputed Claim has been resolved by a Final Order of the Bankruptcy Court. After the Final Order has resolved the disputed Claim, the Holder of such disputed Claim shall be paid all or part of the Reserved Distribution based on the percentage by which the allowed amount bears to the face value of the disputed Claim, plus the interest accrued on such sums in the reserve account. With respect to distributions to the Holders of disputed Claims subsequent to the Final Order resolving the disputed Claim, the Holder of the disputed Claim shall participate therein based on the allowed amount of the disputed Claim in the manner provided in this Plan.

The Debtors shall stop payment on any distribution check that is not cleared through the account upon which such check is drawn within ninety (90) days of the date of distribution. Distribution checks shall be mailed to the addresses given in proofs of claim filed herein, or, as to those Claimants who did not file a proof of claim, to the addresses listed in the Debtor's Schedules, unless the Debtors receive other instructions in writing from such Claimant(s). All funds which are not distributed as a result of stopped checks shall become property of the Debtor who distributed it for use in subsequent distributions. It shall be the obligation of each Claimant to provide written notice to the Debtors of any change of the Claimant's address.

If any party in interest holding any Allowed Claim fails to receive a payment as provided under the Plan, or if any party in interest questions the Debtors' compliance with the Plan in any way, such party shall give the appropriate Debtor written notice thereof, and that Debtor may cure such non-compliance within sixty (60) days of such notice.

C. Setoffs

The Debtors reserve all rights to offset a mutual debt owed to any of the Debtors by any creditor against such creditor's Allowed Claim or against any distribution required to be made by the Debtors to such creditor with respect to its Allowed Claim.

D. Executory Contracts and Unexpired Leases

Pursuant to § 365 of the Bankruptcy Code, a debtor in possession may assume or reject an Executory Contract or unexpired lease. A debtor in possession may reject any executory contract or unexpired lease that it has determined, within its exercise of its sound business judgment, would be burdensome to the estate to continue performing under the terms of such executory contract or unexpired lease. It is likewise within a debtor in possession's discretion to assume any executory contract or unexpired lease. If a debtor in possession assumes an executory contract or unexpired lease, the debtors in possession must cure any existing defaults thereunder or provide adequate assurance that it will promptly cure any defaults.

Unless expressly assumed, the Debtors reject, and the Confirmation Order shall constitute an order approving rejection of, all Executory Contracts that the Debtors have not assumed by the Confirmation Date or that are not the subject of a pending motion to assume filed prior to the Confirmation Date.

Any Claim for damages against the Debtors arising from the rejection by the Debtors of any Executory Contract pursuant to this Article or during the pendency of the Debtors' Chapter 11 Cases shall be forever barred and shall not be enforceable against the Debtors or their property or interests in property, and no Holder of any such Claim shall participate in any distributions under the Plan with respect to such Claim, unless a proper proof of claim is served on the Debtors and filed with the Court within thirty (30) days after the Confirmation Date, unless the Court has ordered otherwise.

E. Conditions of Effectiveness of Plan

Under the Plan, in order for the Effective Date to occur, the conditions of the Reorganized Debtors as set forth in the Plan and described below must be satisfied or waived:

The conditions precedent to the Effective Date of the Plan as to the Reorganized Debtors is as follows:

1. The Bankruptcy Court shall have entered the Confirmation Order;

2. Any other order necessary to satisfy any conditions to effectiveness of the Plan shall be a Final Order; and

3. All other documents provided for under the Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited by such documents.

If any of the conditions to consummation and the occurrence of the Effective Date as to the Reorganized Debtors has not been satisfied or duly waived by the Reorganized Debtors (i) on or before the first Business Day that is more than thirty days after the Confirmation Date or (ii) by such later date as is proposed by the Reorganized Debtors after notice and a hearing approved by the Bankruptcy Court, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to consummation is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated for failure to satisfy the conditions precedent, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver or release of any Administrative Expenses, Claims against the Debtors, (b) prejudice in any manner the rights of the Holder of any Administrative Expense, against the Debtors, or (c) prejudice in any manner the rights of the Debtors in their bankruptcy cases.

F. Effect of Confirmation

1. Vesting of Assets. On the Effective Date, all property of the Debtors' bankruptcy estate not otherwise specifically treated under this Plan shall become the Reorganized Debtors' property. The real property to be sold under the Plan shall be marketed by the Debtors and may be sold at private sale or auction in the Debtors' discretion.

2. Binding Effect. Except as otherwise provided in § 1141 of the Bankruptcy Code, on and after the Confirmation Date, the provisions of this Plan shall bind any Holder of a Claim against the Debtors and their respective successors and assigns, whether or not the Holder of the Claim has timely filed a proof of its Claim, the Claim of such Holder is Impaired under this Plan and whether or not such Holder has accepted the Plan.

3. Avoidance. Except as otherwise expressly provided in the Plan or in the Confirmation Order, upon entry of the Confirmation Order, the following are avoided under this Plan: any liens arising out of or in connection with judgment liens, or any other liens against the Debtors, the Debtors' Property or property of the Debtors' estates, including liens in favor of any Claimants not contemplated by this Plan. Lien Creditors holding such avoided Claims shall execute, and otherwise cooperate to affect, any releases reasonably required by the Debtors to obtain releases of such Claims.

4. Injunction against Interference with Plan. Upon entry of the Confirmation Order, all Holders of a Claim along with their respective present or former assignees, employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

5. Injunction against Certain Actions. As of the Confirmation Date, all Holders of a Claim are permanently enjoined, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) to enforce the Claim against the Debtors, or any of their property or any direct or indirect successor in interest to the Debtors or any property of any such successor; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order relating to the Claim against the Debtors or any of their property or any direct or indirect successor in interest to the Debtors or any property of any such successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind relating to the Claim against the Debtors or any of their property or any direct or indirect successor in interest to the Debtors or any property of any such successor; and (d) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the fullest extent permitted by applicable law.

6. Rights of Action. On and after the Confirmation Date, the Debtors shall have the exclusive right and standing to enforce for the benefit of the Debtors and their Creditors, any and all present or future rights, claims or causes of action against any person and rights of the Debtors that arose before or after the Petition Date, including, but not limited to, rights, claims, causes of action, avoiding powers, suits and proceedings arising under §§ 510, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code. On and after the Confirmation Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Debtors retain sole and exclusive authority to pursue in accordance with this Section.

7. Discharge. Upon complying with and satisfying the terms provided in the Plan, and except as provided in the Plan or in a Final Order determining that a debt is not dischargeable, the Debtors are discharged from all Claims that arose before the Confirmation Date, and any debt of a kind specified in §§ 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (a) a Proof of Claim based on such debt is filed or deemed filed under § 501 of the Bankruptcy Code, (b) such Claim is Allowed under § 502 of the Bankruptcy Code, or (c) the Holder has accepted the Plan. The order confirming the Plan shall provide that the commencement or continuation of any action, employment of process or act to collect, offset, enforce or recover the Claims discharged are enjoined. Pursuant to § 524(e) of the Bankruptcy Code, the discharge of the Debtors does not affect the liability of any third party on a debt of the Debtor.

G. Administrative Provisions

1. Retention of Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and this Plan pursuant to, and for the purposes of §§ 105(a) and 1142 of the Bankruptcy Code and for, among other things the following purposes until such time as the Debtors' obligations under the Plan are fully discharged:

(a) To hear and determine any motions for the assumption or rejection of Executory Contracts, and the allowance of any Claims resulting therefrom;

(b) To determine any and all pending adversary proceedings, applications and contested matters;

(c) To hear and determine any objection to any Claims;

(d) To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

(e) To adjudicate all Claims to any lien on any of the Debtors' assets or any proceeds thereof;

(f) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated, and/or if the Effective Date never occurs;

(g) To issue such orders in aid of execution of this Plan to the extent authorized by § 1142 of the Bankruptcy Code;

(h) To consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) To hear and determine all applications for compensation and reimbursement of expenses of Professionals under §§ 330, 331 and 503(b) of the Bankruptcy Code;

(j) To enforce and interpret the Plan and to hear and determine any dispute or any other matter arising out of or related to this Plan;

(k) To recover all assets of the Debtors and property of the estates, wherever located;

(l) To hear and determine matters concerning state, local and federal taxes in accordance with §§ 346, 505 and 1146 of the Bankruptcy Code;

(m) To enforce and interpret the discharge of Claims and Interests effected by this Plan and to enter and implement such orders as may be appropriate with regard thereto;

(n) To hear any other matter consistent with the provisions of the Bankruptcy Code;

(o) To enter a final decree closing the Chapter 11 Case; and

(p) To hear and determine such other issues as the Court deems necessary and reasonable to carry out the intent and purposes of this Plan.

2. Professional Fees and Expenses. After the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Professionals employed by the Debtors in connection with the implementation and consummation of this Plan, the claims reconciliation process and any other matters as to which such Professionals may be engaged.

3. Waiver of Certain Fees. All Holders of Claims waive all penalties, default interest and/or late fees that may have accrued on their Claims other than as provided for in this Plan.

4. U.S. Trustee Fees. The Debtors are current, and the Reorganized Debtors shall remain current, in paying all fees owed to the United States Trustee until the Chapter 11 Case is closed.

5. Payment of Statutory Fees. All fees payable pursuant to Chapter 123 of Title 28, United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid by the Reorganized Debtors.

6. Modification of the Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Reorganized Debtors may, upon order of the Bankruptcy Court, amend or modify this Plan, in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A Holder of an Allowed Claim that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder.

7. Withdrawal or Revocation of the Plan. The Debtors may withdraw or revoke this Plan at any time prior to the Confirmation Date. If the Debtors withdraw or revoke this Plan prior to the Confirmation Date Deadline or if the Confirmation Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

8. Cram Down. The Debtors may utilize the provisions of § 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of this Plan over the rejection, if any, of any Class entitled to vote to accept or reject this Plan.

9. Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the United States of America and, when applicable, the State of Maryland, without giving effect to the principles of conflicts of law thereof.

IX. RISKS AND CONSIDERATIONS

A. Risk Factors

Prior to deciding whether and how to vote on the Plan, each Holder of a Claim should consider carefully all of the information in this Disclosure Statement and should particularly consider the risk factors inherent in Debtors' reorganization. The single biggest risk factor is that the success of the Plan depends on the willingness and ability of Dr. Cohen to continue to work for the P.A. The success of Belcara Health depends on Dr. Cohen as well as the willingness of the other physicians involved in the medical practices to continue to be part of Belcara Health. Other risks include that the Debtors may not be successful with respect to litigation over Disputed Claims, including the Richardson Claim, which would increase the funding requirements for the Class 6 Pool and Class 7 Pool for funding the amounts to be paid to Holders of Allowed General Unsecured Claims.

B. Bankruptcy Considerations

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan as proposed. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes. Although the Debtors believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing.

In the event the conditions precedent described in Section VII of the Plan have not been satisfied, or waived (to the extent possible) by the Debtors or applicable party (as provided for in the Plan) as of the Effective Date, then the Confirmation Order will be vacated, no Distributions will be made pursuant to the Plan, and the Debtors and all Holders of Claims will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred.

The Bankruptcy Court may confirm the Plan if at least one Impaired Class votes to accept the Plan. As to each Impaired Class that has not accepted the Plan, the Plan may be confirmed if the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the Classes. The Debtors believe that the Plan satisfies these requirements.

X. PLAN CONFIRMATION AND CONSUMMATION

A. Confirmation Hearing

Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a Plan. After the Bankruptcy Court approves this Disclosure Statement, as it may be amended, the Court will schedule a Confirmation Hearing. Notice of the Confirmation Hearing will be provided to all known Creditors or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Pursuant to Bankruptcy Code § 1128(b), any Party in Interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims held or asserted by the objector against the Debtors, the basis for the objection and the specific grounds of the objection, and must be filed with the Bankruptcy Court, with a copy to Chambers, together with proof of service thereof, and served upon (i) the U.S. Trustee's Office; (ii) counsel for the Individual Debtors, Paul Sweeney, Esquire, Yumkas, Vidmar, Sweeney & Mulrenin, LLC, 10211 Wincopin Circle, Suite 500, Columbia, Maryland 21044; and counsel for the P.A., Irving E. Walker, Esquire, Cole Schotz P.C., 300 E. Lombard Street, Suite 1450, Baltimore, MD 21202; and (iii) such other parties as the Bankruptcy Court may order.

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. **UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED UPON THE PARTIES LISTED ABOVE AND FILED WITH THE BANKRUPTCY COURT, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT IN DETERMINING CONFIRMATION OF THE PLAN.**

B. Plan Confirmation Requirements under the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will consider the terms of the Plan and determine whether the Plan terms satisfy the requirements set out in § 1129 of the Bankruptcy Code.

C. Plan Consummation

Upon confirmation of the Plan by the Bankruptcy Court, the Plan will be deemed consummated on the Effective Date. Distributions to Holders of Claims receiving a Distribution pursuant to the terms of the Plan will follow consummation of the Plan. Post-confirmation estate expenses will be paid by the Reorganized Debtors.

D. Best Interest Test

The Bankruptcy Code requires that, with respect to an Impaired Class of Claims, each Holder of an Impaired Claim in such Class either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the amount (value) such Holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date. This test, often referred to as the "best interest of creditors" test, requires that the results for a creditor under the Plan must be at least the same as the result that would occur if the Debtors converted their Cases to Chapter 7. That would mean that the P.A. would shut down and no longer operate, and that the Individual Debtors would no longer use their post-bankruptcy income to fund a plan for the benefit of creditors. The Debtors believe that the Plan definitely meets the "best interest of creditors" test.

The Debtors' costs of a Chapter 7 liquidation would necessarily include fees payable to a trustee in bankruptcy, as well as fees likely to be payable to attorneys, advisors, and other professionals that such a Chapter 7 trustee may engage to carry out its duties under the Bankruptcy Code. Other costs of liquidating the estates would include the expenses incurred during the bankruptcy case and allowed by the Bankruptcy Court in the Chapter 7 case, such as reimbursable compensation for the Debtors' Professionals, including, but not limited to, attorneys, financial advisors, appraisers, and accountants. In addition, claims would arise by reason of the Debtors' breach or rejection of contractual obligations and unexpired leases and Executory Contracts assumed or entered into by the Debtors during the pendency of the bankruptcy case.

The Debtors believe that, in a Chapter 7 liquidation, prepetition Unsecured Claims would receive no distribution or payment from the Debtors' Estates.

E. Liquidation Analysis

In order to make an informed decision whether to accept or reject the Plan, Creditors may compare the return on their Claims that will be received under the Plan to the return that would be received if this case were converted to Cases under Chapter 7 of the Bankruptcy Code and liquidation of all non-exempt asserts were to occur.

Attached as **Exhibit 2** is the Debtors' estimate of the results of a liquidation of the P.A. under Chapter 7 for each Class of the P.A.'s creditors under the Plan. As reflected in Exhibit C, all of the assets owned by the P.A. are subject to Liens securing Claims in amounts substantially larger than the value of the creditors' respective Collateral. Accordingly, each of the Holders of Secured Claims would receive liquidation value of their Collateral, less the costs of liquidation, including the Chapter 7 trustee's commission and Professional Fees. The net result for Holders of Secured Claims in Chapter 7 would therefore be substantially worse than the treatment of such creditors under the Plan.

If the P.A.'s Case were to be converted to Chapter 7, for the reasons just explained, Holders of General Unsecured Claims would receive no payment or distribution, as the only source of payment for such creditors under the Plan –the P.A.'s future income—would no longer be available, as in Chapter 7 the P.A. would cease operating and would have no income.

Attached as **Exhibit 3** is the Debtors' estimate of the results for creditors if the Individual Debtors were to convert their Case to Chapter 7. As reflected in Exhibit D, what non-exempt assets the Individual Debtors have that would be available for liquidation for payment to creditors in a Chapter 7 Case have liquidation values substantially less than the Lien and Priority Tax Claims against the Individual Debtors. Consequently, Holders of General Unsecured Claims against the Individual Debtors would receive no distribution or payment in Chapter 7.

Accordingly, under the Plan, creditors will receive a better outcome than they would if the Cases were converted to Chapter 7.

F. Feasibility

Pursuant to § 1129(a)(11) of the Bankruptcy Code, the Debtors must demonstrate that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors or their successors under the Plan, unless such liquidation or reorganization is proposed under the Plan. Attached as **Exhibit 4** is the P.A.'s cash flow forecast following confirmation of the Plan. The Debtors believe that this cash flow forecast is realistic and achievable, and it demonstrates that the P.A. should be able to meet its obligations under the Plan. Similarly, attached as **Exhibit 5** is the Debtors' cash flow forecast following confirmation of the Plan. The Debtors believe they are likely to be able to meet all obligations, although they anticipate the need to ask the Holders of Allowed Priority Tax Claims to accept payments over a period longer than 5 years if the Debtors' post-Confirmation income is not sufficient to meet the Individual Debtors' obligations under the Plan to the taxing authorities with Allowed Claims.

G. Section 1129(b)

Section 1129(b) of the Bankruptcy Code provides that the Bankruptcy Court may confirm a plan even if a Class of impaired Claims votes to reject the plan if the plan does not unfairly discriminate and is fair and equitable with respect to each impaired Class of Claims that has not accepted the plan.

1. <u>No Unfair Discrimination</u>. The "no unfair discrimination" test requires that the plan not provide for unfair treatment with respect to classes of Claims that are of equal priority, but are receiving different treatment under the plan.

2. <u>Fair and Equitable</u>. The fair and equitable requirement applies to classes of claims of different priority and status, such as secured versus unsecured. The plan satisfies the fair and equitable requirement if no Class of claims receives more than 100% of the allowed amount of the claims in such class. Further, if a Class of claims is considered a dissenting Class ("Dissenting Class"), *i.e.*, a Class of claims that is deemed to reject the plan because the required majorities in amount and number of votes is not received from the class, the following requirements apply:

a. Class of Secured Claims: Each Holder of a Secured Claim will retain its liens on its Collateral to the extent of the allowed amount of its Secured Claim and will receive deferred cash payments having a value, as of the Effective Date of the Plan, of at least the allowed amount of such Secured Claim.

b. Class of Unsecured Creditors: With respect to Holders of Allowed General Unsecured Claims, interests that are junior to the claims of a dissenting Class will not receive any property under the Plan and/or the Individual Debtors will devote their disposable income for the three years following the Effective Date to fund the Plan.

XI. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

Each Holder of a Claim should consult its own tax advisor to determine what effect, if any, the treatment afforded its respective Claim or Interest by the Plan may have under federal, state and local tax laws and the laws of any applicable foreign jurisdictions.

No statement in this Disclosure Statement should be construed as legal or tax advice. Neither the Plan proponents nor their Professionals assume any responsibility or liability for the tax consequences the Holder of a Claim may incur as a result of the treatment afforded its Claim or Interest under the Plan.

The principal income tax consequence for a Creditor relates to its ability to deduct a portion of its Claim in the event the Creditor does not receive full payment of its Allowed Claim. Section 166 of the Internal Revenue Code of 1986, as amended ("IRC") (relating to the deductibility of bad debts) generally provides that:

(a) a totally worthless business bad debt is deductible only in the tax year in which it becomes worthless;

(b) a partially worthless business bad debt is deductible in an amount not in excess of the part charged off on the taxpayer's within the taxable year; and

(c) in the case of a taxpayer other than a corporation, a nonbusiness bad debt which becomes completely worthless during that taxable year is deductible as a short-term capital loss and is subject to the limitations imposed on the deductibility of such losses.

For purposes of IRC § 166, a "nonbusiness debt" means a debt other than (a) one created or acquired in connection with the taxpayer-creditor's trade or business or (b) the loss from the worthlessness of which was incurred during the operation of the taxpayer-creditor's trade or business.

Pursuant to Treas. Reg. § 1.166-2(c), a bankruptcy filing is generally an indication of the worthlessness of at least a part of an unsecured and unperfected debt. In bankruptcy cases, a debt may become worthless before settlement in some instances, and in others only when a settlement has been reached. In either case, the mere fact that bankruptcy proceedings are terminated in a later year, thereby confirming the conclusion that the debt is worthless, does not authorize the shifting of the deduction under IRC § 166 to such later year. Pursuant to Treas. Reg. § 1.166-1(2)(ii), only the difference between the amount received in distribution of assets of a debtor, and the amount of the claim may be deducted under IRC § 166 as a bad debt.

Generally, a taxpayer is entitled to a bad debt deduction with respect to accounts receivable only if the taxpayer has recognized as income the accounts receivable in the year in which the bad debt deduction is claimed or a prior taxable year. Thus, bad debt deductions for worthless or partially worthless accounts receivable are normally available only to accrual method taxpayers. Likewise, worthless debts arising from unpaid wages, salaries, fees, rents and similar items of taxable income are not allowed as a bad debt deduction unless such items have been reported as income in the year for which the deduction as a bad debt is claimed or for a prior taxable year.

Business bad debts deductible under IRC § 166 generally may be deducted using either the specific charge-off method or, if certain requirements are met, the nonaccrual-experience method. Under the specific charge-off method, specific business bad debts that become either partially or totally worthless during the tax year may be deducted in the manner permitted by IRC § 166.

If a deduction is taken for a bad debt which is recovered in whole or part in a latter tax year, the taxpayer may have to include in gross income the amount recovered, except, under limited circumstances, the amount of the deduction that did not reduce taxes in the year deducted.

XII. RECOMMENDATION AND CONCLUSION

The Debtors believe the Plan is in the best interests of all Creditors and the estates and urge the Holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their Ballots.

Date: March 15, 2018

<u>/s/ Michael D. Cohen, M.D.</u>
Michael D. Cohen, M.D.

Date: March 15, 2018

<u>/s/ Shari L. Cohen</u>
Shari L. Cohen

Date: March 15, 2018

MICHAEL D. COHEN, M.D., P.A.

By:*<u>/s/ Michael D. Cohen, M.D.</u>* .
Michael D. Cohen, M.D., President

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Counsel for Michael D Cohen and Shari Cohen, Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of March 2018, notice of filing of the Debtors' Disclosure Statement Pursuant to § 1125 of the Bankruptcy Code was served by CM/ECF to those parties listed on the docket as being entitled to such electronic notices.

/s/ Irving E. Walker
Irving E. Walker