

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	
)	Case No. 16-47104-mbm
RONALD A. MARINO,)	Chapter 11
)	Hon. Marci B. McIvor
Debtor)	

**COMBINED DISCLOSURE STATEMENT AND PLAN OF
REORGANIZATION OF DEBTOR, RONALD A. MARINO**

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I. PLAN OF REORGANIZATION

Ronald A. Marino ("Debtor" or "Marino") proposes the following Combined Disclosure Statement and Plan of Reorganization (the "Plan") pursuant to §§1121 and 1123 of the Bankruptcy Code. Marino expressly reserves his rights to modify or amend the Plan at any time prior to the Confirmation Hearing as permitted by the Bankruptcy Code.

ARTICLE I **DEFINITIONS**

As used in this Plan, the following terms shall have the meanings specified below:

1.1 Scope of Definitions; Rules of Construction. For the purposes of the Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise assigned shall have the meaning ascribed to them in this Article 1 of the Plan. Any term used in the Plan that is not defined in this Article 1 of the Plan, but is defined in the Bankruptcy Code or the Bankruptcy Rules (as defined below) shall have the meaning ascribed to such terms in the Bankruptcy Code or the Bankruptcy Rules as the case shall be. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine and the feminine gender shall include masculine.

1.2 Index of Definitions

1.2.1 "Administrative Claim" means costs and expenses of administration of this Chapter 11 Case allowed under §§503(b) and 507(a)(1) of the Bankruptcy Code and the fees of the United States Trustee under 28 U.S.C. § 1930(a)(6).

1.2.2 "Administrative Claims Bar Date" means the deadline established by the Court for filing requests for allowance and payment of Administrative Claims.

1.2.3 "Administrative Creditor" means any Creditor entitled to payment of an Administrative Claim.

1.2.4 "Allowed Claim" or "Allowed Interest" means a Claim against or Interest in the Debtor to the extent that:

A. A Proof of Claim or Interest was:

- (1) Timely filed;
- (2) Deemed filed pursuant to §1111(a) of the Code; or
- (3) Filed late with leave of the Bankruptcy Court after notice and an opportunity for hearing given to Debtor, and counsel for Debtor; and

B. The Claim is not a Contested Claim or a Contested Interest, or

C. The Claim is allowed (and only to the extent allowed) by a Final Order of the Bankruptcy Court.

1.2.5 "Avoidance Actions" means all claims granted to the debtor-in-possession or a trustee under sections 510 and 544-553 of the Code.

1.2.6 "Ballot" shall mean the official Bankruptcy Form No. 14 or a document prepared to substantially conform to same being sent to all Creditors and parties-in-interest entitled to vote for or against the Plan.

1.2.7 "Bankruptcy Code" or "Code" means the Bankruptcy Reform Act of 1978, as amended (11 U.S.C. §§101, et seq.), also known as the United States Bankruptcy Code.

1.2.8 "Bankruptcy Court" means the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, and any court having jurisdiction over any appeals.

1.2.9 "Bankruptcy Rules" or "Rules" means the Federal Rules of Bankruptcy Procedure, as promulgated by the Supreme Court, and any amendments thereto. To the extent applicable, Bankruptcy Rules also refers to the Local Rules of the U.S. District Court for the Eastern District of Michigan, as amended and the Local Bankruptcy Rules for the Eastern District of Michigan, as amended.

1.2.10 "Business Day" means any day, other than a Saturday, Sunday or "Legal Holiday," as that term is defined in Bankruptcy Rule 9006(a).

1.2.11 "Case" or "Chapter 11 Case" means the bankruptcy case currently pending before the Bankruptcy Court titled *In re Ronald A. Marino*, Case No. 16-47104.

1.2.12 "Causes of Action" means any action, claim, cause of action, controversy, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, "Cause of Action" includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity, (b) the right to object to Claims or Interests, (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code, (d) any claim or defense including fraud, mistake, duress, and usury; and any other defenses set forth in section 558 of the Bankruptcy Code, (e) any state or foreign law fraudulent transfer or similar claim; (f) any cause of action referenced in this Plan; and (g) any cause of action described on the Debtor's Schedules or Statement of Financial Affairs.

1.2.13 "Chase" means JP Morgan Chase Bank, N.A. and all of its members/ shareholders, agents, representatives, employees and assignees.

1.2.14 "Chase Claims" or "Chase Indebtedness" means all of the indebtedness owed by the Debtor or any of its affiliates or guarantors to Chase.

1.2.15 "Claim" shall be defined as provided in Section 101(5) of the Code and shall include any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, contested, disputed, undisputed, legal, equitable, secured or unsecured, or any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.2.16 "Claimant" or "Claimants" mean any individual or entity who hold or assert a Claim.

1.2.17 "Class" means a class of holders of Claims or Interests described in Article 3 of this Plan.

1.2.18 "Confirmation Date" means the date upon which the Bankruptcy Court shall enter an order confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.2.19 "Confirmation Hearing" means the date of the hearing scheduled by the Bankruptcy Court to consider the confirmation of the Plan filed by Debtor, or any subsequently adjourned date.

1.2.20 "Confirmation Order" means the Final Order entered confirming this Plan by the Bankruptcy Court pursuant to §1129 of the Code.

1.2.21 "Contested Claim" means any Claim as to which Debtor or any other party in interest has interposed an objection or commenced an adversary proceeding in accordance with the Bankruptcy Code, Bankruptcy Rules and this Plan, which objection has not been determined by a Final Order.

1.2.22 "Creditor" means any holder of a Claim against the Debtor.

1.2.23 "Debtor" and "Debtor-In-Possession" mean Ronald A. Marino.

1.2.24 "Distributions" shall mean funds to be paid to holders of Allowed Claims pursuant to Article II and Article III of the Plan.

1.2.25 "EBITDA" means earnings before interest, taxes, depreciation and amortization.

1.2.26 "Effective Date" means the first business day of the month after the Confirmation Order becomes a Final Order.

1.2.27 "Exemptions" means those certain exemptions listed on Debtor's Schedule C filed on May 26, 2016, as well as amendments (if any) to the Schedule of Exemptions.

1.2.28 "Final Order" means an Order of the Bankruptcy Court as to which (i) the time for appeal has expired and no appeal has been timely taken; or (ii) any timely appeal has been finally determined or dismissed; or (iii) an appeal has been timely taken but such order has not been stayed within ten (10) days after the filing of such appeal.

1.2.29 "Ford" means Ford Motor Credit and all of its members/ shareholders, agents, representatives, employees and assignees.

1.2.30 "Ford Claims" or "Ford Indebtedness" means all of the indebtedness owed by the Debtor or Glencorp to Ford.

1.2.31 "Funds" means the Operating Engineers' Local 324 Fringe Benefit Funds and all of its members, shareholders, trustees, beneficiaries, agents, representatives, employees, and the signees.

1.2.32 "Funds Order" means the *Consent Order Excepting Debt From Discharge and Judgment in Favor of Plaintiffs and Against Debtor/Defendant Ronald A. Marino*, which memorializes a global settlement reached between the Debtor and the Funds.

1.2.33 "Glencorp" means Glencorp, Inc., the company in which the Debtor is the 100% shareholder and president.

1.2.34 "Glencorp Case" means the Chapter 11 bankruptcy case currently pending before the Bankruptcy Court, *In re Glencorp, Inc.*, Case No. 16-46905.

1.2.35 "Glencorp Default" means a default by Glencorp, if any, in its payments to the Fund under the Glencorp Plan, which has not been timely cured in accordance with the terms of the Glencorp Settlement Order or Glencorp Plan.

1.2.36 "Glencorp Settlement Order" means the *Consent Order Resolving Motion by Operating Engineers' Local 324 Fringe Benefit Funds for Order Under 11 U.S.C. §1113(f)* to be entered in the Glencorp Case.

1.2.37 "Glencorp Plan" means the Plan of Reorganization filed by Glencorp in the Glencorp Case, as amended and modified.

1.2.38 "Group" means a category of holders of Claims which are not subject to classification as set forth in Section 1123(a)(1) of the Code as more fully described in Article 2 of the Plan.

1.2.39 "Impaired" means a Claim treated under this Plan, unless the Plan:

- A. leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest; or

B. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default:

(1) cures any such default (other than defaults relating to (i) any penalty interest rate or provision arising from a non-monetary default by the Debtor; (ii) the solvency or financial condition of the Debtor or (iii) the commencement of this Case) that occurred before or after the commencement of the Case;

(2) reinstates the maturity of such Claim or Interest as such maturity existed before such default;

(3) compensates the holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and

(4) does not otherwise alter the legal, equitable or contractual rights to which such Claim or Interest entitles its holder.

1.2.40 "Insider" means a relative of the Debtor or a corporation or entity in which the Debtor is an Insider.

1.2.41 "Interest(s)" means the equity interests in Debtor as defined in §101(16) of the Code.

1.2.42 "Interest Rate" means (a) with respect to Claims entitled to interest under §506 of the Bankruptcy Code and this Plan and having an applicable contractual rate of interest, the lowest rate of interest provided in such contract, without regard to any default by Debtor, (b) with respect to all other Claims entitled to interest under the Bankruptcy Code and this Plan, the interest being paid or earned on a five year Treasury Note as published by the Wall Street Journal on the Effective Date, or (c) with respect to a Tax Claim 4% or (d) with respect to (a) or (b) such other interest rate as may be determined by a Final Order of the Bankruptcy Court.

1.2.43 "IRS" means the Internal Revenue Service, an agency of the United States of America, and its representatives, employees, affiliated agencies and assignees.

1.2.44 "Lien" means a charge against, or an interest in property to secure payment of a debt or performance of an obligation.

1.2.45 "Marino" means Ronald A. Marino, the Debtor in this Chapter 11 Case.

1.2.46 "Mrs. Marino" means Michelle Marino and her interests in any trusts.

1.2.47 "Objection to Exemptions" means the Objection to Exemptions (Doc 40) filed by the Funds on June 27, 2016 in the Bankruptcy Case.

1.2.48 "Petition Date" means May 10, 2016, the date the Debtor filed a Voluntary Petition commencing the Case under Chapter 11 of the Bankruptcy Code.

1.2.49 "Plan" means this Plan of Reorganization, as it may be altered, amended or modified from time to time.

1.2.50 "Priority Claim" means a claim under or entitled to priority under any of the following sections of the Code; §§507(a)(3), 507(a)(4), 507(a)(5), 507(a)(6), 507(a)(7), and 507(a)(8) of the Code.

1.2.51 "Priority Creditor" means a Creditor who asserts a Priority Claim.

1.2.52 "Priority Tax Claim" means a Claim under or entitled to priority under §507(a)(8) of the Code.

1.2.53 "Professional" means any professional employed in the Chapter 11 Case pursuant to §§327 or 1103 of the Bankruptcy Code seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to §503(b)(4) of the Bankruptcy Code.

1.2.54 "Professional Fees" means the fees and reimbursement for disbursements and expenses owed to Professionals.

1.2.55 "Projected Disposable Income" has the meaning as set forth in Section 1129(a)(15)(B) of the Bankruptcy Code.

1.2.56 "Pro-Rata" means at any time, the proportion that the face amount of a Claim in a particular Class or Group bears to the aggregate face

amount of all Claims (including disputed or Contested Claims) in such Class or Group unless the Plan expressly provides otherwise.

1.2.57 "Reorganized Debtor" means the Debtor, on and after the Effective Date.

1.2.58 "Secured Claim" means a Claim that is secured by a Lien but only to the extent that such assets are of a value sufficient to secure such Lien in whole or in part, pursuant to Section 506 of the Code.

1.2.59 "Tax Claim" means any Claim for taxes that constitutes a Secured Claim or a Priority Tax Claim.

1.2.60 "Unsecured Claim" means a Claim that is not a Secured Claim and is not an Administrative Claim or a Priority Claim.

1.2.61 "Unsecured Claims Pool" means Debtor's Projected Disposable Income to be paid to Unsecured Creditors in accordance with Articles III and IV of the Plan.

1.2.62 "Unsecured Creditor" shall mean any creditor that holds an Unsecured Claim.

1.3 Rules of Interpretation: For purposes of the Plan:

1.3.1 Any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially on such terms and conditions.

1.3.2 Any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified or supplemented.

1.3.3 Unless otherwise specified, all references in the Plan to a section, article, schedule or exhibits are references to sections, articles, schedules and exhibits of, or to, the Plan.

ARTICLE II
TREATMENT OF CLAIMANTS NOT SUBJECT TO
CLASSIFICATION OR OTHERWISE NOT REQUIRED
TO VOTE FOR OR AGAINST THE PLAN

For the purposes of approval and implementation of this Plan and the resultant reorganization of the Debtor, Administrative Creditors and Priority Creditors shall be paid on account of their respective Administrative and Priority Claims in accordance with the provisions set forth below:

2.1 GROUP I. The Claims of Group I shall consist of all Administrative Expenses, including any taxes that qualify as Administrative Expenses. The Allowed Claims of this Group shall be paid the full amount of their Claims on such date as may be mutually agreed upon between Debtor and the particular claimant, or, if no such date is agreed upon, the latest of (i) the Effective Date, (ii) the date by which payment would be due in the ordinary course of business between the Debtor and such Administrative Creditor, or (iii) the date on which the Bankruptcy Court enters a Final Order, if necessary, approving the allowance and payment of such claim.

2.2 GROUP II. The Claims of Group II shall consist of Allowed Claims that are entitled to Priority under §507(a)(8) of the Code, including Priority Claims of the IRS and State of Michigan, Department of Treasury, and any Secured Claims of the IRS and State of Michigan, Department of Treasury, where the underlying Claim may be afforded Priority Claim status. The Allowed Claim of the IRS under this Group shall include any trust fund recovery penalties that may be assessed against the Debtor. The IRS has issued a notice of intent to assess, but no trust fund recovery penalties have been assessed against Debtor as of the date of the filing of the Plan. Debtor intends to challenge the trust fund recovery assessment. Nothing within the Plan or Confirmation Order shall limit the ability of the Debtor to challenge the trust fund recovery assessment through the Bankruptcy Court.

2.2.1 The Claimants of this Group shall receive deferred monthly cash payments from Glencorp under the Glencorp Plan over a period not exceeding five (5) years from the Petition Date, of a value as of the Effective Date of the Plan equal to the allowed amount of such Priority Claims plus interest calculated at the Interest Rate.

2.2.2 If there is a default in the payments to the IRS by Glencorp under the Glencorp Plan, Marino may continue to make those monthly payments to the IRS pursuant to the amortization schedule set forth in the

Glencorp Plan from the Unsecured Claims Pool, and no default shall be issued against Marino.

This Class shall be Impaired.

2.3 GROUP III. The Claims of Group III shall consist of all other Priority Creditors entitled to receive priority for their Allowed Claim under §507(a) of the Bankruptcy. Claimants of this group – if any -- shall be paid the value of their Allowed Claim on the Effective Date, or at a different time if agreed upon between Debtor and a claimant. Debtor asserts that no such Priority Claims exist.

2.4 The Reorganized Debtor shall have the right to challenge any Priority Claim through the claims objection process set forth in this Plan, which challenge may include but is not limited to a challenge to any penalty portion of such Claim, the amount and the value of the property which forms the basis for any assessment of taxes and the computation of the tax. The right to challenge these claims shall include, without limitation, an objection to the assessment of trust fund recovery penalties by the IRS against the Debtor.

ARTICLE III
SPECIFICATION OF TREATMENT OF CLASSES OF
CLAIMS OR INTERESTS NOT IMPAIRED UNDER PLAN
AND THOSE IMPAIRED UNDER THE PLAN

The Plan divides Claims and Interests into six Classes and treats them as follows:

3.1 Class I: Class I consists of the Allowed Secured Claims of Chase, which asserts a Mortgage against the real property located at 2501 Pebble Beach, Oakland Township, Michigan 48363 and real property located at 7216 Holiday Drive, Stanwood, Michigan 49346-8895. Debtor and his wife, Michelle Marino, are jointly liable on the promissory notes owed to Chase with respect to both properties.

3.1.1 Debtor will continue to make payments towards Chase in accordance with the Pre-Petition Loan Documents executed between Chase and the Debtor and the Debtor's spouse.

3.1.2 Until this Allowed Secured Claim is paid in full, Chase shall retain its liens to the same extent, validity and priority that existed as of the Petition Date. Upon payment in full of Chase's Allowed Secured Claim,

Chase shall release its liens against the Real Property owned by the Debtor subject to Chase's Mortgages.

3.2 Class II: Class II shall consist of the Ford Claims held by Ford Motor Credit, who asserts a security interest in certain vehicles owned by the Debtor.

3.2.1 The Debtor will continue to make monthly payments to Ford as required under the loan documents executed between Debtor and Ford prior to the Petition Date until Ford's Allowed Secured Claim is paid in full.

3.2.2 To the extent that there are any arrearages owed under the pertinent agreement, the contract between Ford and Debtor will be extended by the number of months of arrearages, and any past due payments shall be added to the end of the term.

3.2.3 Until its Allowed Secured Claim is paid in full, Ford will retain its Lien. Upon payment in full of Ford's Allowed Secured Claim, Ford will release its Lien against any assets of the Debtor and take any reasonable action reasonably requested by the Debtor to effectuate the release of the Lien.

This Class is Impaired.

3.3 Class III Class III shall consist of the Allowed Claims of the Funds.

3.3.1 The Funds shall have an Allowed Claim of \$690,000, which will be determined to be non-dischargeable and excepted from discharge under the Funds Order in the amount of \$690,000 (the "Judgment Amount"). Post-judgment interest shall accrue at the rate of 6% per annum.

3.3.2 Debtor will not be obligated to make any payments towards the Allowed Claim of \$690,000, and Plaintiff will forbear from any enforcement and pursuit of collection of the Judgment Amount from Debtor, provided that Glencorp makes payments as provided for under the Glencorp Plan and the Glencorp Settlement Order (the *Consent Order Resolving Motion by Operating Engineers' Local 324 Fringe Benefit Funds for Order under 11 U.S.C. §1113(f).*)

3.3.3 Any payments made by Glencorp to the Funds as provided under the Glencorp Plan shall reduce the Judgment Amount owed by Debtor.

3.3.4 In the event that Glencorp defaults on its payment obligations to Plaintiffs under the Glencorp Settlement Order, notice will be provided to

Ronald Marino, 47641 Ryan Rd., Shelby Twp, MI 48317 and to Jason W. Bank, at jbank@kerr-russell.com and via First Class Mail at 500 Woodward Ave., Suite 2500, Detroit, MI 48226. If Glencorp defaults in any payment due under the Glencorp Settlement Order and Glencorp Plan, the Debtor is authorized to make the payment due to the Funds.

3.3.5 If such default is not cured within 15 days after notice either by Glencorp or Debtor, in accordance with the Glencorp Settlement Order (the "Glencorp Default"), the Allowed Claim of the Funds against Debtor will increase to \$1,000,000, plus accrued interest, minus any payments previously made by Glencorp (the "Judgment Default Amount").

3.3.6 The Funds' Objection to Exemptions will be withdrawn with prejudice.

3.3.7 Debtor will dismiss with prejudice the Appeal currently pending before the Sixth Circuit.

3.3.8 Marino may make payments due to the Funds under the Glencorp Plan from the Unsecured Claims Pool.

3.3.9 If there is a Glencorp Default, the claims of the Funds will be treated in accordance with Class VI.

This Class is Impaired.

3.4 Class IV. Class IV shall consist of the Allowed Claim of Michigan Caterpillar.

3.4.1 Glencorp will make payments to Michigan Caterpillar in accordance with the provisions set forth in the Glencorp Plan.

3.4.2 To the extent there is no default in payments by Glencorp to Michigan Petroleum under the Glencorp Plan, Michigan Petroleum will forbear from any collection efforts against Marino or third parties. If there is a default in the Glencorp Plan, Michigan Caterpillar is free to pursue collection from third parties.

3.5 Class V. Class V shall consist of the Allowed Claim of Michigan Petroleum.

3.5.1 Glencorp will make payments to Michigan Petroleum in connection with the provisions set forth in the Glencorp Plan.

3.5.2 To the extent there is no default in payments by Glencorp to Michigan Petroleum under the Glencorp Plan, Michigan Petroleum will forbear from any collection efforts against Marino or third parties. If there is a default in the Glencorp Plan, Michigan Petroleum is free to pursue collection from Marino or third parties.

3.5.3 If there is a default in payments to Michigan Petroleum under the Glencorp Plan, Marino may make payments due under the Glencorp Plan from the Unsecured Claims Pool, and the Allowed Claim will be treated under Class VI.

This Class is Impaired.

3.6 Class VI. Class VI consists of Creditors holding Allowed Unsecured Claims.

3.6.1 If there is no default in the Glencorp Plan, and all of the Unsecured Creditors in Classes II through V and the IRS are paid under the Glencorp Plan, the remaining Creditors holding Allowed Unsecured Claims shall receive a distribution of Projected Disposable Income from the Unsecured Claims Pool on a pro-rata basis.

3.6.2 If there is a default in the Glencorp Plan, and the Claims of Marino's Creditors in Classes II through V are not satisfied in full, the Creditors of Marino will receive distributions from the Unsecured Claims Pool on a pro-rata basis in accordance with the priority scheme set forth in the Bankruptcy Code.

This Class is Impaired.

ARTICLE IV
EXECUTION AND IMPLEMENTATION OF THE PLAN

4.1 Projected Disposable Income. The Plan commits all of Marino's Projected Disposable Income to Unsecured Creditors as required and contemplated by the Bankruptcy Code.

4.2 Unsecured Claims Pool. As stated, the Plan commits all of Marino's Projected Disposable Income to the Plan. Glencorp is also liable on a substantial portion of the claims asserted by Marino. The intention of the Plan is to maintain the "primary obligor/guarantor dynamic" from these debtor-creditor relationships

and maintain a pool of funds from the Unsecured Claims Pool to potentially satisfy Claims in the future.

- 4.2.1 The Unsecured Claims Pool will first be used to fund Professional Fees allowed by the Bankruptcy Court, outstanding United States Trustee fees and other expenses.
- 4.2.2 Thereafter, the Unsecured Claims Pool will be maintained to satisfy Claims in accordance with Article III of the Plan.
- 4.2.3 To the extent that Glencorp is unable to make payments to the Funds, IRS, Michigan Petroleum or Michigan Caterpillar, Marino may use cash from the Unsecured Claims Pool to satisfy payments due under the Glencorp Plan, whether or not Glencorp is in default of its obligations.
- 4.2.4 Once the Funds, IRS, Michigan Petroleum and Michigan Caterpillar are paid in full under the Glencorp Plan, and all obligations are satisfied under Marino's Plan, all remaining funds in the Unsecured Claims Pool, if any, will be returned to Marino.

4.3 Refinancing. If necessary, the Reorganized Debtor may, in its sole discretion, seek to obtain refinancing from either a lending institution or from other personal or business sources in an effort to satisfy the necessary cash payments described in Articles 2 and 3 of this Plan. In the event that the Reorganized Debtor obtains such financing, it shall not obligate the Reorganized Debtor to accelerate any of the payments or obligations set forth in this Plan. There shall be no pre-payment penalty for any prepayment of Claims.

4.4 Exemptions. The Debtor's Exemptions are allowed in connection with entry of the Confirmation Order, except as expressly set forth herein. The Objection to Exemptions filed by the Funds will be withdrawn.

4.5 New Value. Nothing herein limits the right of Mrs. Marino to make loans to Marino to fund obligations under the Plan. All prior loans made since the Petition Date and additional loans will constitute "New Value" for the purposes of confirmation of the Plan.

4.6 Releases / Preservation of Causes of Action. Except as expressly provided in the Plan or Funds Order, any and all Causes of Action that may be asserted against Debtor and Mrs. Marino will be released upon the Effective Date in

consideration for the funding and new value that the Debtor and Mrs. Marino are providing to the Debtor and Reorganized Debtor. Except as expressly released or waived under the Plan or Confirmation Order, any and all Causes of Action that may be held by the Debtor are expressly preserved and will re-vest in the Reorganized Debtor on the Effective Date.

4.7 Professional Fees. Any services performed or expenses incurred by any professional on behalf of the Debtor or the Reorganized Debtor with respect to this Case after the Confirmation Date, shall not be subject to the prior review and approval of the Bankruptcy Court and, notwithstanding any provision of the Bankruptcy Code or Rules, including, without limitation, Fed. R. Bankr. P. 2016, after the Confirmation Date, no professional shall be required to disclose payments from the Debtor or the Reorganized Debtor to the Bankruptcy Court or the United States Trustee. All fees and expenses arising after the Confirmation Date shall be billed directly to the Reorganized Debtor and the Bankruptcy Court shall only review that portion to which the Reorganized Debtor objects. The Reorganized Debtor shall pay the portion not objected to in accordance with the terms of the invoice.

4.8 Change of Address. In order to ensure that it receives its distribution, each Creditor holding a Claim treated under any Class in Article 3 must advise the Reorganized Debtor of any change in address. Absent any such notification, the Reorganized Debtor will send payments to the address listed on the Matrix on file with the Bankruptcy Court. If the Reorganized Debtor does not receive notice of any change of address, it shall be under no obligation to pay the amounts due under the Plan.

ARTICLE V

EFFECT OF CONFIRMATION

5.1 Discharge. In accordance with 11 U.S.C. § 1141(d)(5)(A), discharge of all Claims will be effective upon completion of all payments under the Plan, unless the Bankruptcy Court orders otherwise, for cause, after notice and a hearing. Subject to the foregoing, and except as otherwise provided within the Plan all Creditors shall be precluded from asserting any Claim against the Reorganized Debtor, any successor of the Reorganized Debtor or assets of the Reorganized Debtors other than the express payments required under the Plan, provided that the Debtor makes the required payments under the Plan. Upon completion of the payments required under the Plan, the Confirmation Order shall act as a discharge of any and all Claims against and all debts and liabilities of the Debtor, as provided in 11 U.S.C. §§ 524 and 1141 and shall void any judgment against the Debtor at any

time obtained to the extent it relates to a discharged Claim. Upon completion of the payments required under the Plan, confirmation shall also act as a merger and relinquishment of any and all Claims that Creditors have or may have against the Debtor as provided in the treatment of the Creditors in Articles II and III.

5.2 Injunction. Except as expressly provided in the Plan and Confirmation Order or permitted by 11 U.S.C. § 1141, all Creditors who have held or may hold a Claim or Interest discharged pursuant to the terms of the Plan are permanently enjoined from taking the following actions against the Debtor, Reorganized Debtor and his assets in any manner inconsistent with the Plan and Confirmation Order: (i) commencing or continuing an action or proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; or (iii) creating, perfecting or enforcing any lien or encumbrance. To the extent that the Debtor or Reorganized Debtor is injured by a willful violation of such injunction, the Debtor or Reorganized Debtor shall be entitled to recover actual damages, including costs and attorney fees, and in appropriate circumstances, may recover punitive damages from a willful violator. Nothing herein shall be construed to grant a discharge that exceeds the scope of the discharge otherwise provided by the Bankruptcy Code.

5.3 Waiver. Confirmation shall also constitute a waiver by Creditors of any right that they may have, unless supported by a written guarantee, to seek to enforce their Claims against any Insider, whether pursuant to an "alter ego" claim, a claim for "piercing" the Debtor's or the Reorganized Debtor's corporate existence, or other similar claim.

5.4 Financing and Capital Contributions. There shall be no prohibition against the Reorganized Debtor merging, issuing additional stock or being acquired by another person, company, partnership or corporation, or obtaining any financing from any lender willing to provide any financing. The obtaining of financing shall not obligate the Reorganized Debtor to make any earlier payments or distribution except as may be provided in the Plan.

5.5 Conversion to Chapter 7. In the event of a conversion of the Case to a case under Chapter 7 of the Bankruptcy Code, all property of the Debtor, the debtor-in-possession or the Reorganized Debtor, including all property that will revert in the Reorganized Debtor pursuant to confirmation of the Plan and all property acquired by the Reorganized Debtor subsequent to confirmation of the Plan shall be property of the Chapter 7 estate.

ARTICLE VI
MODIFICATION OF THE PLAN

6.1 Debtor may, from time to time, propose amendments or modifications of this Plan prior to or after the Confirmation Hearing, without leave of the Court. After confirmation, the Debtor or Reorganized Debtor may, with leave of the Bankruptcy Court, and upon notice and opportunity for hearing to the affected Creditor(s) and the Office of the U.S. Trustee only, remedy any defect or omission, reconcile any inconsistencies in the Plan or in the Order of Confirmation or otherwise modify the Plan.

6.2 If the Bankruptcy Court determines that the modification affects all the Creditors, or if the Debtor propose a material modification affecting all Creditors, then such modification shall be governed by §1127 of the Bankruptcy Code and Article 7, Paragraph D of the Plan.

ARTICLE VII
JURISDICTION OF THE COURT

Notwithstanding confirmation of the Plan, this Court will retain jurisdiction until the entry of a final decree closing the case, and after reopening of the case, for the following reasons and purposes:

- A. To determine all objections to the allowance of Claims;
- B. To approve or disapprove any compromise by the Reorganized Debtor of any Claim;
- C. To determine all disputes arising under the Plan, including any dispute over any action taken by the Reorganized Debtor, and to enforce, interpret and administer the terms and conditions of the Plan;
- D. To determine any applications for allowance of compensation and reimbursement of expenses as may be required for pre-confirmation services;
- E. To determine any applications for rejection, assumption, or assignment of executory contracts and the allowance of any claims resulting from the rejection thereof or from the rejection of executory contracts pursuant to the Plan;

- F. To determine any applications, adversary proceedings, and contested and litigation matters pending in the case at the Confirmation Date or thereafter filed;
- G. To determine any applications on file for approval of settlement agreements and entering and enforcing all appropriate orders in connection therewith;
- H. To authorize Reorganized Debtor to abandon property of the estate;
- I. To modify any provisions of the Plan pursuant to the Rules, the Code and provisions of the Plan;
- J. To correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
- K. To determine such other matters provided for in the Confirmation Order as may, from time to time, be authorized under the provisions of the Code or any applicable law;
- L. To enforce all orders, judgments, injunctions, and rulings in connection with this proceeding; and
- M. To enter such orders that may be necessary or appropriate to aid in confirmation and to facilitate implementation of the Plan.

ARTICLE VIII
TITLE TO PROPERTY

Title to the property of the Debtor shall vest in the Reorganized Debtor upon the Effective Date of the Plan. The Debtor shall be discharged from their status as Debtor and the affairs and business of the Reorganized Debtor shall thereafter be conducted without Court involvement except as may be governed by Article 7 of the Plan.

ARTICLE IX
UNITED STATES TRUSTEE FEES

The Debtor will pay to the United States Trustee the appropriate sums required pursuant to 28 U.S.C. § 1930(a)(6). After Confirmation, and until the case is closed by the Court, Debtor and the Reorganized Debtor shall pay all post-confirmation fees on all disbursements of the Debtor and the Reorganized Debtor and shall follow all procedures of the United States Trustee for reporting and tracking such disbursements.

ARTICLE X
EXECUTORY CONTRACTS

10.1 Executory Contracts and Leases. Unless otherwise rejected or modified in accordance with the terms of this Plan, all executory contracts of the Debtor either (i) not expressly rejected by final Order entered prior to the Confirmation Date or (ii) which are not the subject of pending motions to reject by the Confirmation Date, will be assumed. Unless otherwise agreed to by the parties, the Debtor will pay or provide adequate assurance of payment of cure amounts by the later of the Effective Date or the date the Court enters an order approving the assumption of the executory contract.

10.2 Proof of Claim for Rejected Executory Contracts and Leases. Any Creditor who has a Claim as a result of a rejection of an executory contract or lease shall have thirty (30) days to file a Proof of Claim, failing which such Claim shall be disallowed in its entirety.

10.3 Objection to Proof of Claim. The Reorganized Debtor may file an objection to any Proof of Claim filed pursuant to paragraph 10.2 in accordance with Article 11.

ARTICLE XI
OBJECTIONS TO CLAIMS

Debtor and/or the Reorganized Debtor may object to the allowance of any Claim, whether listed on the schedules filed by Debtor or filed by any Creditor on or before the *later* of (i) sixty (60) days from the date of service of any Proof of Claim upon Debtor (or the Reorganized Debtor) or (ii) sixty (60) days after the Effective Date unless otherwise extended by the Court.

ARTICLE XII
LIMITATION OF LIABILITY

Marino and his agents, including his counsel, accountants, and consultants shall not be liable to any Creditor or Interest holder of the Debtor or the Reorganized Debtor, or any other entity for any action taken or omitted to be taken in connection with their respective actions or duties in the Case or under this Plan, except that such liability may be imposed for willful misconduct. The Bankruptcy Court shall have exclusive jurisdiction to resolve any questions concerning any such liability.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1 Notwithstanding anything in this Plan to the contrary, neither the Debtor nor the Reorganized Debtor shall be obligated to make any payments towards any Contested Claim. Further, neither the Debtor nor the Reorganized Debtor shall be required to make any payments for an Allowed Claim to any Creditor if the Debtor or the Reorganized Debtor have filed a motion, objection, adversary proceeding, state court proceeding or other similar notice against such Creditor alleging an objection, claim, cause of action, offset or counter-claim, such that if sustained and not paid by such Creditor would result in a disallowance of such Allowed Claim in accordance with §502(d) of the Code.

13.2 The Debtor, the Reorganized Debtor and all parties-in-interest, including without limitation any Creditor, shall be required to execute any document reasonably requested by the other to memorialize and effectuate the terms and conditions of this Plan. This shall include without limitation any execution by the Debtor of UCC financing statements and the execution by creditors of any UCC termination and mortgage releases and termination.

13.3 This Plan and the Confirmation Order shall inure to the benefit of, and be binding upon, all parties in interest and their respective successors and assigns.

13.4 When the Debtor or the Reorganized Debtor have made all payments and obligations required under this Plan all restrictions, negative covenants and other limitations on the Debtor's operations provided herein or in the Confirmation Order shall terminate.

13.5 The Reorganized Debtor shall have the right to commence, continue, amend or compromise all Causes of Actions available to the Debtor(s), the

bankruptcy estate(s) or the debtor(s) in possession, whether or not those causes of action were the subject of a suit as of the Confirmation Date, including but not limited to actions to collect receivables owed to the Debtor. The Reorganized Debtor specifically reserves its right to commence, continue, amend or compromise all Causes of Action.

13.6 Notwithstanding any provision of the Bankruptcy Code or the Bankruptcy Rules to the contrary, no professional shall be required to file a 2016(b) statement for any fees or expenses received after the Confirmation Date.

13.7 Pursuant to § 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and upon entry of the Confirmation Order or Order approving the Sale Transaction, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

DISCLOSURE STATEMENT

I. INTRODUCTION AND OVERVIEW

A. Purpose of Disclosure Statement

Debtor submits this Disclosure Statement pursuant to §1125 of the Bankruptcy Code, 11 U.S.C. §§101 *et seq.*, to all known holders of a Claim against them. On June 6, 2016, the Court entered the Order Establishing Deadlines and Procedures (the "Scheduling Order"). The Scheduling Order required the Debtor to file a combined plan and disclosure statement by no later than September 2, 2016, and scheduled the Confirmation Hearing for October 25, 2016 at 10:30 a.m.

The Scheduling Order also set a deadline of August 2, 2016 for parties to request information to be included in the disclosure statement. On July 22, 2016, counsel for the Funds sent Debtor's counsel a letter requesting that certain information be included in the Debtor's Disclosure Statement. The Debtor asserts that it has substantially complied with the requested information contained in the letter. Based upon the contemplated global settlement, the Debtor did not include information that was no longer relevant.

On September 7, 2016, the Court entered the *Order Granting Debtor's Motion to Extend Deadline to File Plan and Modify Certain Dates and Deadlines in Scheduling Order*, thereby extending the deadline to file a Combined Plan and Disclosure Statement from September 2, 2016 until September 30, 2016.

Debtor provides this Disclosure Statement to the Creditors to disclose information deemed to be material and necessary for Creditors to make a reasonably informed decision in exercising their right to vote for the acceptance of the Plan.

B. Source of Information

The Disclosure Statement and the Plan have been prepared from information furnished primarily by Debtor and his counsel. Debtor's counsel has not conducted an independent investigation to verify such information.

The statements contained in this Disclosure Statement are made as of the date hereof, unless another time is specified. Neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change of the facts set forth herein since the date of this Disclosure Statement.

NO PERSON OR ENTITY HAS BEEN AUTHORIZED BY DEBTOR OR THE COURT TO GIVE ANY INSTRUCTIONS OR MAKE ANY REPRESENTATIONS CONCERNING DEBTOR OR THEIR FINANCIAL AFFAIRS, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS, PROMISES OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN, WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION. SUCH REPRESENTATIONS, INDUCEMENTS AND/OR PROMISES, IF ANY, SHOULD BE REPORTED TO COUNSEL FOR DEBTOR WHO, IN TURN, SHALL DELIVER SUCH INFORMATION FOR SUCH ACTION AS THE COURT MAY DEEM APPROPRIATE.

II. DESCRIPTION OF DEBTOR

A. The Debtor-In-Possession

On May 10, 2016 (the "Petition Date"), Ronald A. Marino filed a Voluntary Petition under Chapter 11 of Title 11 of the United States Code, §§101 et seq. in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 16-47104 for Ronald A. Marino ("Debtor" or "Marino"). This Case was assigned to the Honorable Marci B. McIvor.

B. The Debtor

1. Background

Ronald A. Marino is the sole shareholder and president of Glencorp. More details concerning the Debtor's and Glencorp's business operations are set forth below.

2. Compensation

In the year prior to the bankruptcy filing, Mr. Marino earned approximately \$120,000 in wages and compensation from Glencorp. Mr. Marino also earned approximately \$31,000 in social security payments.

3. Legal Relationships with the Debtor / Insider Transactions

Mr. Marino's spouse, Michelle Marino, works at Glencorp as a part of the office staff.

Ryan Holdings, LLC owns an industrial building commonly known as 47611-47641 Ryan Road, Shelby Township, Michigan where Glencorp operates its business. The Debtor holds ten (10%) percent of the membership interests in Ryan Holdings and Debtor's wife, Michelle Marino, holds ninety (90%) percent of the membership interests in Ryan Holdings. Ryan Holdings has received payments from Glencorp for use of the premises.

Mrs. Marino has extended various loans to Mr. Marino to help fund professional fees and other expenses.

4. Description Of Debtor's Business And Causes For Chapter 11 Filing

Mr. Marino is the sole shareholder and president of Glencorp, which is an earth-moving contractor engaged in the business of moving dirt and heavy cuts, digging retention ponds, and digging roads for developers in subdivisions. Glencorp operates out of offices located on Ryan Road in Shelby Township, Michigan.

Glencorp is a party to that certain Collective Bargaining Agreement the ("CBA") with the International Union of Operating Engineers Local 324. Upon information and belief, the CBA requires Glencorp to pay certain pension and fringe benefit contributions on behalf of the union workforce to the Union's pension fund, health care and related funds, also known as the Operating Engineers' Local 324 Fringe Benefit Funds (the "Funds").

Like many other contractors and construction companies, Glencorp was hit hard by the Great Recession resulting in an inability to satisfy the Funds on a timely basis. More details concerning Glencorp's financial problems may be found in the disclosure statement filed by Glencorp, Case No. 16-46905 before the Bankruptcy Court.

Glencorp fell behind in payments to the Funds. In addition, the Funds assessed additional charges against Glencorp, which Glencorp the Debtor felt were improper. In 2014, the Funds filed a lawsuit against Glencorp and the Debtor in the United States District Court for the Eastern District of Michigan, Case No. 14-cv-14766 alleging delinquent payments to the Funds. Glencorp and Debtor disputed the allegations contained in the lawsuit.

On April 11, 2016, the U.S. District Court entered a Judgment in favor of the Funds and against Glencorp and Debtor in the amount of \$829,104.64. On July 11, 2016, the Funds submitted a Proof of Claim in the Glencorp case and the Debtor's case in the amount of \$1,879,709.63, which included the Judgment amount,

additional amounts allegedly owed under the Collective Bargaining Agreement, accrued interest and other liquidated damages.

On May 2, 2016, the U.S. District Court entered an *Ex Parte Order Restraining the Transfer, Selling or Disposing of Defendants' Property and Directing Judgment Debtors to Appear for Examination*.

Marino filed a Notice of Appeal of the Judgment to the U.S. Sixth Circuit Court of Appeals. The appeal is still pending.

Marino filed the Chapter 11 bankruptcy petition in large part due to the Judgment obtained by the Funds and the Ex Parte Order referenced above. Marino disputes that he is liable to the Funds in any amount, which is why he pursued the Appeal of the Judgment. As set forth below, most of Marino's personal debts are tied to Glencorp. Accordingly, Marino filed for Chapter 11 in order to address all of his debts through an orderly process.

III. POST-PETITION EVENTS OF SIGNIFICANCE

A. Post-Petition Transfers Outside of the Ordinary Course of Business and Professionals

The Debtor has operated in the ordinary course of business. Any transactions that are outside of the ordinary course of business require approval from the Bankruptcy Court. Prior to the Petition Date, the Debtor's wife's trust (Michelle Marino Trust) paid a retainer of \$5,000 to Kerr, Russell and Weber, PLC, plus the Court filing fee. Debtor, through the Michelle Marino Trust, has also made \$2,000 monthly escrow payments as permitted by the *Order Employing Kerr, Russell, and Weber as Counsel for Debtor*. Currently, Kerr Russell is holding \$14,717 in trust. These funds shall be applied against any fees and costs awarded to Debtor's counsel by Final Order of the Court.

In addition, Debtor made a \$10,000 transfer to his special counsel, Stark Reagan, P.C., which was employed as special counsel to handle Debtor's Appeal.

The Debtor has made no post-petition transfers outside the ordinary course of business other than disclosed herein.

B. Chapter 11 Events

The following is a summary of events that have taken place during this proceeding.

Debtor attended the initial meeting with the United States Trustee and provided various documentation and information requested by that office. Debtor attended the section 341 meeting of creditors and answered questions posed by creditors. Debtor attended the initial Chapter 11 status conference scheduled by the Court and agreed to the standard, fast-track schedule for this Chapter 11 case.

On June 27, 2016, the Funds filed its *Objection to Debtor's Claim of Exemptions* (Doc 40), thereby challenging Debtor's Schedule of Exemptions in certain assets. On July 14, 2016, Debtor filed his *Reply to Objection to Debtor's Claim of Exemptions filed by Creditor Operating Engineers' Local 324 Fringe Benefits Fund and Brief in Support* (Doc 50).

The hearing on the Objection to Exemptions has been adjourned while the Funds, Debtor and Glencorp conduct global settlement discussions. The Objection to Exemptions will be withdrawn in connection with confirmation of the Plan and the global settlement between the Debtor, Glencorp and the Funds.

The Funds have asserted that the indebtedness owed by Mr. Marino should be excepted from the bankruptcy discharge under §523 of the Bankruptcy Code. Debtor denies these allegations. The Funds and Debtor have entered into stipulations to extend the deadline to file an objection to discharge (Doc 55 and Doc 70) while settlement discussions are pending.

Creditors and interested parties should review the bankruptcy docket and pull the various documents referenced for more information.

C. Global Settlement – Debtor, Glencorp and the Funds

The Debtor, Glencorp and the Funds have reached a global settlement of all disputed matters and issues among them, the terms of which are embodied in this Plan, the Glencorp Plan, the Gencorp Settlement Order and the Funds Order.

The terms of the settlement, which are memorialized in the Funds Order and the Plan, are summarized as follows:

1. The Funds and Debtor will enter into a consent judgment in the amount of \$690,000, which will be excepted from Debtor's discharge.
2. The Funds will forbear from any collection of this amount while Glencorp makes payments to the Funds under the Glencorp Plan.
3. In the event of a default by Glencorp under the Glencorp Order, the judgment amount will increase to \$1,000,000 (with credit for any payments made).
4. The Funds will withdraw the Objection to Exemptions and Debtor's Exemptions will be allowed in their entirety.

IV. ASSETS AND LIABILITIES

A. Liquidation Analysis

Debtor's Liquidation Analysis is attached hereto as **Exhibit A**.

In the event that the Plan is not accepted by the Creditors or is not otherwise confirmed by the Bankruptcy Court, the Debtor believe that their assets would be liquidated either:

1. Pursuant to a plan of liquidation under Chapter 11 of the Code;
- or,
2. In a straight bankruptcy liquidation under Chapter 7 of the Code.

Under either alternative, the operations of the Debtor would cease, as Debtor would only realize the forced sale value of their assets. All of the proceeds from the sale of Debtor's assets would go to pay secured debt. Accordingly, Debtor expects that in a liquidation, Unsecured Creditors would receive no dividend on their Claims.

Debtor believe that its offer, as set forth in the Plan, is fair and equitable to creditors and it is in their best interest to consider a vote in favor of the Debtor's Plan.

B. Risks, Conditions And Assumptions

Debtor has used fair market value and forced sale value to determine the value of its assets. The risks, conditions and assumptions are outlined in footnotes and

comments to the Liquidation Analysis. Debtor has not performed appraisals of its assets and all values are estimated.

The value of the assets will decrease dramatically in a liquidation where the business operations close.

C. Potential Claims and Causes of Action

Upon the Effective Date, all Causes of Action are expressly preserved and vested in the Reorganized Debtor, regardless of whether such specific claim is listed in the Plan or Disclosure Statement, with the following exceptions: (1) no Causes of Action against Mrs. Marino will be preserved and are waived and (2) no Causes of Action of the bankruptcy estate against the Debtor or trusts in the Debtor's name will be preserved and are waived, unless expressly set forth in the Funds Order, this Plan and the Confirmation Order. The waiver of claims include a waiver of claims for a transfer of real property by Debtor to Mrs. Marino that took place prior to the Petition Date for estate planning purposes.

No preclusion doctrine, estoppel (judicial, equitable or otherwise) or laches shall apply to any Causes of Action as a consequence of the Confirmation, the Effective Date or consummation of the Plan.

D. Co-Debtor and Guarantors

Glencorp is a co-debtor on a significant number of claims asserted against Marino, including claims asserted by the Funds, the IRS, Michigan Petro, Michigan Cat and multiple credit card companies.

In addition, Michelle Marino is a co-debtor on the debt owed to JP Morgan Chase arising from the Debtor's Mortgage. Mrs. Marino is also a potential co-debtor on a claim asserted by Hudson Insurance Company against Marino and Glencorp. Hudson issued a bond in connection with Glencorp's obligations to its fuel supplier, Michigan Petroleum. Upon information and belief, if the claims owed to Michigan Petroleum are satisfied, there will be no liability on the bond.

V. IMPLEMENTATION OF THE PLAN

A. Financial Information

The Debtor have attached as **Exhibit B**, Debtor's cash-flow projections The Debtor have attached as **Exhibit C**, a summary of the Debtor's monthly financial statements, which have been filed with the Bankruptcy Court. These financial

statements summarize financial information relating to the Debtor's post-petition operations. The Debtor have attached as **Exhibit D**, a summary of their pre-petition financial results.

B. Post-Petition Details

The Post-Petition Details regarding Marino's income and expenses are set forth in the Disclosure Statement and exhibits.

C. Tax Ramifications

The Debtor believes that the forgiveness of indebtedness which may result from a discharge granted by the confirmation of the Plan will not result in a significant tax consequence to the Debtor. The forgiveness of indebtedness, pursuant to the Internal Revenue Code, can be applied either to the Debtor's basis in their assets or to net operating loss carry forward. The Debtor cannot accurately determine the amount and extent of any forgiveness of indebtedness. First, the Debtor must determine if all of the Claims that have been filed, or deemed filed within this Case, are accurate. Also, depending on whether the Debtor achieve or exceed the projection in its current fiscal year, the Debtor may elect to apply any forgiveness of a debt in this directly to their basis. Despite the fact that the Debtor believe that they can apply such forgiveness of indebtedness to net operating loss carry forward, it is not expected that the amount of forgiveness of debt will be totally offset by the foregoing. However, once these net operating losses are used by the Debtor to offset forgiveness of indebtedness, they cannot be used again. Taxes paid by the Debtor in the future years would, therefore, be impacted as a result of confirmation of the Plan.

VI. LEGAL REQUIREMENTS

A. Voting Procedures

Under the Bankruptcy Code, the only Classes that are entitled to vote to accept or reject a plan are Classes of Claims, or equity interest, that are impaired under the plan. Accordingly, Classes of Claims or interests that are not impaired are not entitled to vote on the plan.

Creditors that hold Claims in more than one impaired Class are entitled to vote separately in each Class. Such a creditor will receive a separate ballot for all of its Claims in each Class (in accordance with the records of the Clerk of the Court) and should complete and sign each ballot separately. A creditor who asserts a Claim in

more than one Class and who has not been provided with sufficient ballots may photocopy the ballot received and file multiple ballots.

Votes on the Plan will be counted only with respect to Claims: (a) that are listed on the Debtor's Schedules of Assets and Liabilities other than as disputed, contingent or unliquidated; or (b) for which a proof of Claim was filed on or before the bar date set by the Court for the filing of proofs of claim (except for certain Claims expressly excluded from that bar date or which are allowed by Court order). However, any vote by a holder of a Claim will not be counted if such Claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such Claim for voting purposes pursuant to 11 U.S.C. §502 and Bankruptcy Rule 3018.

Voting on the Plan by each holder of a Claim or interest in an impaired Class is important. After carefully reviewing the Plan and Disclosure Statement, each holder of such a Claim or interest should vote on the enclosed ballot either to accept or to reject the Plan, and then return the ballot by mail to the Debtor's attorney by the deadline previously established by the Court.

Any ballot that does not appropriately indicate acceptance or rejection of the plan will not be counted.

A ballot that is not received by the deadline will not be counted.

If a ballot is damaged, lost, or missing, a replacement ballot may be obtained by sending a written request to the Debtor's attorney at the address set forth below.

B. Acceptance

The Bankruptcy Code defines acceptance of a plan by an impaired Class of Claims as acceptance by the holders of at least two-thirds in dollar amount, and more than one-half in number, of the Claims of that Class which actually cast ballots. The Bankruptcy Code defines acceptance of a plan by an impaired Class of equity interests as acceptance by holders of at least two-thirds in number of the equity interests of that Class that actually cast ballots. If no creditor or interest holder in an impaired Class votes, then that Class has not accepted the plan.

C. Confirmation

11 U.S.C. §1129(a) establishes conditions for the confirmation of a plan. These conditions are too numerous and detailed to be fully explained here. Parties

are encouraged to seek independent legal counsel to answer any questions concerning the Chapter 11 process.

Among the several conditions for confirmation of a plan under 11 U.S.C. §1129(a) are these:

1. Each Class of impaired creditors and interests must accept the Plan, as described above.

2. Either each holder of a Claim or interest in a Class must accept the plan, or the plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.

D. Modification

The Debtor reserves the right to modify or withdraw the Plan at any time before confirmation.

E. Effect of Confirmation

If the Plan is confirmed by the Court:

1. Its terms are binding on the Debtor, all creditors, partners and other parties in interest, regardless of whether they have accepted the Plan.

2. Except as provided in the plan:

a. Claims will be discharged, except as provided in 11 U.S.C. §§523 and 727(a).

b. Creditors will be prohibited from asserting their claims except as to those debts which are not discharged or dischargeable under 11 U.S.C. §§523 and 727(a).

(Signatures on next page)

Respectfully submitted,

Dated: September 30, 2016

/s/ Ronald A. Marino

Ronald A. Marino

KERR, RUSSELL AND WEBER, PLC

Dated: September 30, 2016

By: /s/ Jason W. Bank

Jason W. Bank (P54447)

William C. Blasses (P73945)

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wblasses@kerr-russell.com

Attorneys for Ronald A. Marino

EXHIBIT A

**RONALD A. MARINO
CHAPTER 11 CASE NO. 16-47104
LIQUIDATION ANALYSIS**

Asset	H/W/J	Value	Secured Creditor	Claim	Exempt/Not Property of Estate	Net Proceeds Available for Creditors
Bank Accounts, Cash	J	\$ 8,086.00	--	--	\$ 6,919.00	\$ 1,107.00
Household Goods, Furnishings and Jewelry	J	\$ 6,800.00	--	\$ 0.00	\$ 4,325.00	\$ 1,237.50
Real Property, ¹ 2501 Pebble Beach, Oakland Twp., MI	J	\$ 425,000.00	JPMorgan Chase	\$ 177,000.00	\$ 425,000.00	\$ 0.00
Real Property, 7216 Holiday Drive, Stanwood, MI	J	\$ 200,000.00	JPMorgan Chase	\$ 5,270.74	\$ 200,000.00	\$ 0.00
Real Property, 9156 Briarstone, Stanwood, MI	J	\$ 1,000.00	--	--	\$ 1,000.00	\$ 0.00
2014 Ford Explorer	H	\$ 22,532.00	MDT/Alliance	\$ 21,141.00	\$ 0.00	\$ 1,391.00
2010 Ford Pickup	H	\$ 8,000.00			\$ 3,435.00	\$ 4,525.00
2013 Ford Pickup	H	\$ 15,215.00	Ford Credit	\$ 30,143.94	\$ 15,215.00	\$ 0.00
Pontoon Boat	J	\$ 5,000.00	--	--	\$ 0.00	\$ 2,500.00
Jetski (2)	J	\$ 3,000.00	--	--	\$ 0.00	\$ 1,500.00
IRA [Morgan Stanley]	H	\$ 440,000.00	--	--	\$ 440,000.00	\$ 0.00

**NET NON-EXEMPT PROCEEDS AVAILABLE FOR
GENERAL UNSECURED CREDITORS:**

\$ 12,260.50

**DISTRIBUTION TO GENERAL UNSECURED CREDITORS
IN LIQUIDATION:**

\$ 0.00

¹ Debtor holds equitable interests in all real property as tenants by the entirety. Property was transferred to Michelle Marino the year prior to the bankruptcy filing.

EXHIBIT B

	11/2016	12/2016	2017	2018	2019	2020	2021
<u>GROSS INCOME</u>							
Ronald Marino							
Glencorp	\$ 10,036.00	\$ 10,036.00	\$ 120,432.00	\$ 120,432.00	\$ 120,432.00	\$ 120,432.00	\$ 120,432.00
(Payroll Deductions)	\$ (2,823.00)	\$ (2,823.00)	\$ (33,876.00)	\$ (33,876.00)	\$ (33,876.00)	\$ (33,876.00)	\$ (33,876.00)
Social Security	\$ 2,553.00	\$ 2,553.00	\$ 30,636.00	\$ 30,636.00	\$ 30,636.00	\$ 30,636.00	\$ 30,636.00
Subtotal	\$ 9,766.00	\$ 9,766.00	\$ 117,192.00	\$ 117,192.00	\$ 117,192.00	\$ 117,192.00	\$ 117,192.00
Michelle Marino							
Glencorp	\$ 2,166.67	\$ 2,166.67	\$ 26,000.04	\$ 26,000.04	\$ 26,000.04	\$ 26,000.04	\$ 26,000.04
	\$ (402.83)	\$ (402.83)	\$ (4,833.96)	\$ (4,833.96)	\$ (4,833.96)	\$ (4,833.96)	\$ (4,833.96)
Social Security	\$ 888.00	\$ 888.00	\$ 10,656.00	\$ 10,656.00	\$ 10,656.00	\$ 10,656.00	\$ 10,656.00
Subtotal	\$ 2,651.84	\$ 2,651.84	\$ 31,822.08	\$ 31,822.08	\$ 31,822.08	\$ 31,822.08	\$ 31,822.08
Ryan Holdings	\$ 7,500.00	\$ 7,500.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00
Total Income:	\$ 19,917.84	\$ 19,917.84	\$ 239,014.08	\$ 239,014.08	\$ 239,014.08	\$ 239,014.08	\$ 239,014.08
<u>EXPENSES:</u>							
Mortgage Payments	\$ 2,644.53	\$ 2,644.53	\$ 31,734.36	\$ 31,734.36	\$ 31,734.36	\$ 31,734.36	\$ 31,734.36
Real estate taxes	\$ 665.00	\$ 665.00	\$ 7,980.00	\$ 7,980.00	\$ 7,980.00	\$ 7,980.00	\$ 7,980.00
Real estate taxes for Briarstone lot	\$ 10.00	\$ 10.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00
Property/homeowner's insurance	\$ 238.00	\$ 238.00	\$ 2,856.00	\$ 2,856.00	\$ 2,856.00	\$ 2,856.00	\$ 2,856.00
Maintenance expenses	\$ 167.00	\$ 167.00	\$ 2,004.00	\$ 2,004.00	\$ 2,004.00	\$ 2,004.00	\$ 2,004.00
Homeowner's association dues	\$ 67.00	\$ 67.00	\$ 804.00	\$ 804.00	\$ 804.00	\$ 804.00	\$ 804.00
Utilities, lawn and snow	\$ 620.00	\$ 620.00	\$ 7,440.00	\$ 7,440.00	\$ 7,440.00	\$ 7,440.00	\$ 7,440.00
Food/housekeeping supplies	\$ 600.00	\$ 600.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00
Clothing/laundry/personal care	\$ 190.00	\$ 190.00	\$ 2,280.00	\$ 2,280.00	\$ 2,280.00	\$ 2,280.00	\$ 2,280.00
Medical/dental	\$ 830.00	\$ 830.00	\$ 9,960.00	\$ 9,960.00	\$ 9,960.00	\$ 9,960.00	\$ 9,960.00
Transportation	\$ 800.00	\$ 800.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00
Entertainment/recreation/newspapers/etc.	\$ 145.00	\$ 145.00	\$ 1,740.00	\$ 1,740.00	\$ 1,740.00	\$ 1,740.00	\$ 1,740.00
Charitable contributions/religious donations	\$ 250.00	\$ 250.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Health insurance	\$ 313.00	\$ 313.00	\$ 3,756.00	\$ 3,756.00	\$ 3,756.00	\$ 3,756.00	\$ 3,756.00
Car payments							
Vehicle 1	\$ 641.00	\$ 641.00	\$ 7,692.00	\$ 7,692.00	\$ 7,692.00	\$ 7,692.00	\$ 7,692.00
Vehicle 2	\$ 293.00	\$ 293.00	\$ 3,516.00	\$ 3,516.00	\$ 3,516.00	\$ 3,516.00	\$ 3,516.00
2013 Pickup	\$ 582.00	\$ 582.00	\$ 6,984.00	\$ 6,984.00	\$ 6,984.00	\$ 6,984.00	\$ 6,984.00
Mortgages on other property	\$ 1,279.00	\$ 1,279.00	\$ 15,348.00	\$ 15,348.00	\$ 15,348.00	\$ 15,348.00	\$ 15,348.00
Real estate taxes (other property)	\$ 490.00	\$ 490.00	\$ 5,880.00	\$ 5,880.00	\$ 5,880.00	\$ 5,880.00	\$ 5,880.00
Property/homeowner's insurance (other property)	\$ 78.00	\$ 78.00	\$ 936.00	\$ 936.00	\$ 936.00	\$ 936.00	\$ 936.00
Maintenance expenses (other property)	\$ 398.00	\$ 398.00	\$ 4,776.00	\$ 4,776.00	\$ 4,776.00	\$ 4,776.00	\$ 4,776.00
Homeowner's association dues (other property)	\$ 141.00	\$ 141.00	\$ 1,692.00	\$ 1,692.00	\$ 1,692.00	\$ 1,692.00	\$ 1,692.00
Total Expenses:	\$ 11,441.53	\$ 11,441.53	\$ 137,298.36	\$ 137,298.36	\$ 137,298.36	\$ 137,298.36	\$ 137,298.36
NET INCOME:	\$ 8,476.31	\$ 8,476.31	\$ 101,715.72	\$ 101,715.72	\$ 101,715.72	\$ 101,715.72	\$ 101,715.72

EXHIBIT C

**RONALD A. MARINO
CHAPTER 11 CASE NO. 16-47104
POST-PETITION PROFIT AND LOSS STATEMENT
[May 10, 2016 – August 31, 2016]**

	Total Since Filing
PERSONAL RECEIPTS	
1. Wages, Personal service income	\$ 29,505.44
2. Gifts	\$
3. Other (itemize)	\$ 1,028.00
4. Less: contribution to IRA accounts	\$
TOTAL INCOME	<u>\$ 30,533.44</u>
PERSONAL DISBURSEMENTS	
1. Rent, house payments	\$ 7,650.00
2. Checks to non-filing spouse for 1/2 of expenses listed on Schedule J	\$ 18,803.00
3. Groceries	\$
4. Utilities	\$ 700.00
5. Automobile Expense:	
Vehicle payment (monthly) (Ron's truck)	\$ 640.18
Vehicle payment (monthly) (work truck)	\$ 581.99
Gas and oil	\$
Maintenance	\$
Total Automobile Expense:	\$ 3,026.33
6. Medical Expense	\$
7. Clothing	\$
8. Insurance (not wage deducted)	
Auto	\$
Health	\$
Life	\$
Other	\$
Total Insurance:	\$
9. Restaurants	\$
10. Laundry and cleaning	\$
11. Newspapers, periodicals, etc.	\$
12. Recreation – church	\$ 195.00
13. Child care	\$
14. Alimony or child support	\$

Ronald A. Marino
Chapter 11 Case No. 14-47104
Post-Petition Profit and Loss Statement

15. Others expenses (explain): - LEGAL	\$	4,650.00
16. Other expenses (explain): - BOA printing	\$	58.00

TOTAL EXPENDITURES: \$ 35,082.33

EXCESS INCOME OVER EXPENSES: \$ (4,548.89)

EXHIBIT D

Ronald A. Marino
Chapter 11 Case No. 16-47104
Pre-Petition Financial Information
[Prepared as of Sept. 30, 2016]

	2016-YTD	2015	2014
Wages			
Glencorp	\$ 88,008.00	\$ 120,432.00	\$ 120,432.00
Social Security	\$ 22,977.00	\$ 30,636.00	\$ 42,683.00
Total Income	\$ 110,985.00	\$ 151,068.00	\$ 163,115.00