

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

In re:

MAXI CONTAINER, INC.,

Debtor.

Chapter 11

Case No. 16-51074

Honorable Phillip Shefferly

**DEBTOR'S COMBINED LIQUIDATING PLAN OF  
REORGANIZATION AND DISCLOSURE STATEMENT**

**THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY  
IMPACT YOUR DECISION TO ACCEPT OR REJECT THIS PROPOSED  
PLAN. PLEASE READ THIS DOCUMENTS WITH CARE AND DILIGENCE.**

ZOUSMER LAW GROUP PLC  
Michael I. Zousmer (P47190)  
4190 Telegraph Rd., Ste. 3000  
Bloomfield Hills, Michigan 48302  
(248) 351-0099  
Attorneys for the Debtor

Dated: January 13, 2017

## LIQUIDATING PLAN OF REORGANIZATION

Maxi Container, Inc., the debtor in this chapter 11 bankruptcy case (the “Debtor”), proposes the following *Liquidating Plan of Reorganization* (the “Plan”) for the resolution and treatment of all outstanding Allowed Claims (as that term is defined below) in this bankruptcy proceeding. Reference is made to the Debtor’s *Disclosure Statement*, which is a part hereof, for additional information relevant to understanding and assessing the Plan. The Debtor is the Proponent of the Plan within the meaning of Section 1129 of the Bankruptcy Code. **This Plan provides for the liquidation and conversion of all of the Debtor’s assets to cash and the distribution of the net proceeds realized therefrom to creditors in accordance with the priorities established by the Bankruptcy Code.**

### ARTICLE 1 DEFINITIONS

For purposes of this Plan, the following terms shall have the respective meanings defined below, with such meanings to be equally applicable for the singular and plural forms of these terms, unless the context requires otherwise:

1.1. “Administrative Claim” means a Claim for any cost or expense of administration of a kind specified in Section 503(b) of the Bankruptcy Code and referred to in Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, the actual, necessary costs and expenses of preserving the Estate, and including

Allowed Claims of Professionals and any fees or charges of the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6).

1.2. “Allowed” means, with respect to a Claim against the Debtor, any Claim, proof of which has been timely and properly filed on or before any applicable bar date to file a proof of such Claim, or, if no proof of claim was filed, any Claim that has been listed in the Debtor’s schedules of liabilities filed with the Court by the Debtor as liquidated in amount and not disputed or contingent, and, in either case, a Claim that is (i) not subject to a pending objection, motion to estimate, or motion to amend the Debtor’s bankruptcy schedules in this Bankruptcy Case, or (ii) that has been allowed (and then only to the extent allowed) by a final, non-appealable order of the Bankruptcy Court.

1.3. “Bankruptcy Case” means this case, commenced under Chapter 11 of Title 11 of the United States Code by the Debtor on the Petition Date in the Court, and docketed by the Court as Case no. 16-51074.

1.4. “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified in Title 11 of the United States Code (11 U.S.C. § 101, *et seq.*), as is now in effect or as may be hereafter amended (to the extent that any such amendment(s) are made applicable to this Bankruptcy Case).

1.5. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as are now in effect or as may be hereafter amended (to the extent that any such amendment(s) are made applicable to this Bankruptcy Case).

1.6. “Business Day” means any day, other than a Saturday, Sunday, or a “Legal Holiday” (as that term is defined in Rule 9006(a) of the Bankruptcy Rules).

1.7. “Cash” means legal tender of the United States of America or its equivalent.

1.8. “Claim” means a claim, as defined in Section 101(5) of the Bankruptcy Code, against the Estate.

1.9. “Claimant” means the holder of a Claim.

1.10. “Class” means one of the classes of Claims or Interests included in Article 3 of this Plan.

1.11. “Confirmation Date” means the date of entry on the docket by the Court of the Confirmation Order.

1.12. “Confirmation Order” means the order entered by the Court confirming this Plan, pursuant to Section 1129 of the Bankruptcy Code.

1.13. “Court” means the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, or such other court that may from time-to-time exercise jurisdiction of this Bankruptcy Case, including a United States District Court which withdraws the reference of the Bankruptcy Case, or any part thereof, pursuant to 28 U.S.C. §157(d).

1.14. “Creditor” means the holder of a Claim.

1.15. “Debtor” means Maxi Container, Inc.

1.16. “Debtor’s Claims” means any claim and/or cause of action arising at law or in equity under any applicable state, federal or other law, and other claims based upon tort, contract, and otherwise, whether or not litigation is commenced to prosecute such claims. Among others, “Debtor’s Claims” include any claims arising under Sections 506, 542, 543, 544, 545, 547 through 551 and 553 of the Bankruptcy Code (including, but not limited to, claims to avoid liens, preference and fraudulent transfer claims, surcharge claims, claims for turnover, and claims to recover unauthorized post-petition transfers).

1.17. “Disputed” means, with respect to Claims, a Claim (i) that is scheduled by the Debtor as disputed, contingent, unliquidated, or is subject to a pending motion to amend the Debtor’s bankruptcy schedules in this Bankruptcy Case, or (ii) proof of which has been filed with the Court pursuant to Section 501(a) of the Bankruptcy Code or an Administrative Claim, as to which an objection to the allowance thereof or a motion for estimation thereof has been filed with the Court prior to the Confirmation Date or after the Confirmation Date in accordance with this Plan, which objection or motion has not been settled or determined by a final, non-appealable order.

1.18. “Disclosure Statement” means the Disclosure Statement which relates to and is a part of this Plan.

1.19. “Effective Date” means the eleventh (11<sup>th</sup>) day following the Confirmation Date; provided, however, that if any order staying the Confirmation Order shall be entered by the Court or any other court of competent jurisdiction (other

than the 10-day stay imposed by Bankruptcy Rule 3020(e)), then this eleven (11) day period shall commence only on the date that such stay is vacated by a court of competent jurisdiction.

1.20. “Estate” means the estate of the Debtor created on the Petition Date pursuant to Section 541 of the Bankruptcy Code by the commencement of this Bankruptcy Case.

1.21. “Interest” means an equity interest in the Debtor, of any kind or nature.

1.22. “Lien” means a charge against, or interest in, property of the Estate to secure payment of a debt or performance of an obligation.

1.23. “Petition” means the voluntary chapter 11 petition filed by the Debtor with the Court, commencing this Bankruptcy Case.

1.24. “Petition Date” means August 8, 2016, the date on which the Debtor filed its Petition with the Court commencing this Bankruptcy Case.

1.25. “Plan” means this *Liquidating Plan of Reorganization*, as it may be altered, amended, supplemented, or modified.

1.26. “Post-confirmation” means after the Confirmation Order is entered on the docket by the Court.

1.27. “Pre-petition” and “post-petition” mean, respectively, before the filing of the Petition and after the filing of the Petition.

1.28. “Priority Claim” means a Claim entitled to priority under Section 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

1.29. “Priority Tax Claim” means a Claim entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code.

1.30. “Professional” means those persons and entities employed in this Bankruptcy Case prior to the Confirmation Date pursuant to Section 327 of the Bankruptcy Code.

1.31. “Professional Fee Applications” means applications for allowance of fees and reimbursement of expenses of Professionals which are filed by Professionals pursuant to Section 330 of the Bankruptcy Code.

1.32. “Pro Rata” means proportionately, based upon the dollar amount that a particular Allowed Claim bears to the dollar amount of all Allowed Claims of the Class in which the Allowed Claim is included.

1.33. “Secured Claim” means a Claim, or portion thereof, which is secured by a perfected and enforceable lien or other interest in property of the Estate.

1.34. “Unsecured Claim” means a Claim, or portion thereof, which is not entitled to administrative, priority, or secured status under the Bankruptcy Code and applicable law.

Terms defined in the Bankruptcy Code and not otherwise defined in this Plan shall have the meanings given to them in the Bankruptcy Code.

**ARTICLE 2**  
**TREATMENT OF ADMINISTRATIVE CLAIMS AND PRIORITY**  
**CLAIMS**

**2.1 Administrative Claims.** Each holder of an Allowed Administrative Claim (except any such holder that agrees with the Debtor to different treatment) shall receive the Allowed amount of such holder's Allowed Administrative Claim, in Cash, in full satisfaction, settlement, release, extinguishment, and discharge of such Claim. Distributions on account of an Allowed Administrative Claim shall be made after payment in full of all Allowed Secured Claims as set forth in Section 3.1 below and upon the later of: (i) the date that sufficient funds become available such that it is practicable and appropriate, in the Debtor's sole and absolute discretion, to make a distribution on account of such Claim in accordance with the order for priority of distributions prescribed by the Bankruptcy Code, and after the making of appropriate reservations, in the Debtor's sole and absolute discretion, for any Disputed Claims and unpaid post-confirmation administrative expenses; and (ii) the date that such Claims are Allowed.

No Administrative Claim, including, without limitation, any applications by a Professional for final allowance of compensation and reimbursement of expenses arising during the time period beginning on the Petition Date and ending on or before the Confirmation Date, shall become an Allowed Administrative Claim unless an application, request or proof has been filed with the Court and served upon the Debtor within thirty (30) days following the Effective Date. Any holder of an

Administrative Claim who is required to file a request for payment of such claim and does not file such request for payment on or before the thirtieth (30<sup>th</sup>) day after the Effective Date shall be forever barred from asserting such claim against the Debtor or the Estate and from receiving any distribution under this Plan on account of such claim.

**2.2 Statutory Fees.** All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in Cash equal to the amount of such Administrative Claim when due. The Debtor shall provide the Office of the United States Trustee an appropriate affidavit of disbursements for relevant time periods, until this Bankruptcy Case is closed. Any such sums due as of the Confirmation Date shall be paid on the Effective Date.

**2.3 Priority Tax Claims.** Each holder of an Allowed Priority Tax Claim (except any such holder that agrees with the Debtor to different treatment) shall receive the Allowed amount of such holder's Allowed Priority Tax Claim, in Cash, in full satisfaction, settlement, release, extinguishment, and discharge of such Claims as such could be asserted against each and every person and entity who is liable, in any way, for the Claims, including but not limited to, Debtor's current and former officers, managers, directors, employees and agents of the Debtor and any person who had control or supervision of, or responsibility for, making the tax returns or tax payments at any relevant time.

Distributions on account of Allowed Priority Tax Claims shall be made after payment in full of all Allowed Secured Claims as set forth in Section 3.1 below and payment in full of all Allowed Administrative Claims as set forth in Section 2.1 above and upon the later of: (i) the date that sufficient funds become available such that it is practicable and appropriate, in the Debtor's sole and absolute discretion, to make a distribution on account of such Claim in accordance with the order for priority of distributions prescribed by the Bankruptcy Code, and after the making of appropriate reservations, in the Debtor's sole and absolute discretion, for any Disputed Claims and unpaid post-confirmation administrative expenses; and (ii) the date that such Claims are Allowed; provided, however, that interest shall accrue on the unpaid portion of each Allowed Priority Tax Claim from the Effective Date until the date that such Allowed Priority Tax Claim is paid in full, at the rate of three percent (3%) per annum. Any liens with respect to such Allowed Priority Tax Claims will be discharged upon payment of the full amount of such Allowed Priority Tax Claims plus any applicable interest. Any pre-petition penalty and interest with respect to a Priority Tax Claim shall not be treated as part of the Priority Tax Claim; if Allowed, such penalty shall be treated as a Class 2 Claim. No interest or penalty shall accrue on a Priority Tax Claim from the Petition Date to the Effective Date.

**2.4 Priority Claims<sup>1</sup>.** Each holder of an Allowed Priority Claim (except any such holder that agrees with the Debtor to different treatment) shall receive the Allowed amount of such holder's Allowed Priority Claim, in Cash, in full satisfaction, settlement, release, extinguishment, and discharge of such Claim. Distributions on account of Allowed Priority Claims shall be made after payment in full of all Allowed Secured Claims as set forth in Section 3.1 below and payment in full of all Allowed Administrative Claims as set forth in Section 2.1 above and upon the later of: (i) the date that sufficient funds become available such that it is practicable and appropriate, in the Debtor's sole and absolute discretion, to make a distribution on account of such Claim in accordance with the order for priority of distributions prescribed by the Bankruptcy Code, and after the making of appropriate reservations, in the Debtor's sole and absolute discretion, for any Disputed Claims and unpaid post-confirmation administrative expenses; and (ii) the date that such Claims are Allowed; provided, however, that interest shall accrue on the unpaid portion of each Allowed Priority Claim from the Effective Date until the date that such Allowed Priority Claim is paid in full, at the rate of three percent (3%) per annum.

---

<sup>1</sup> All individuals who are listed on Schedule E as possessing a priority wage claim pursuant to 11 USC §507(a)(3) have received payment of their claims pursuant to an order, entered by the Bankruptcy Court on August 17, 2016, and, therefore, on the Effective Date, those claims shall be disallowed.

**ARTICLE 3**  
**CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

This Plan divides Claims and Interests into three (3) classes, as follows:

3.1.                   **Class 1 – Allowed Secured Claims**

(a)    *Classification:* Class 1 consists of all the Secured Claims.

(b)    *Treatment:* Distribution on account of an Allowed Secured Claim shall be made upon the later of: (i) the date that funds become available from the liquidation of property of the Estate subject to such Allowed Secured Claim, after deducting the ordinary and necessary costs of liquidation and any appropriate surcharge, and after the making of appropriate reservations, in the Committee's sole and absolute discretion, for any Disputed Secured Claims which are also asserted to be secured by said liquidated property of the Estate, and unpaid post-confirmation administrative expenses; and (ii) the date that such Secured Claim is Allowed.

(c)    Upon payment in full, all liens and security interests of holders of Allowed Secured Claims shall be automatically terminated, discharged and extinguished. This provision shall be self-executing; nevertheless, each holder of an Allowed Secured Claim shall promptly execute and deliver to the Debtor any document or paper which the Debtor reasonably requests in connection with the liquidation of the property of the Estate, as described in Article 5 of this Plan.

**Class 1 is an impaired class.** Each holder of a Class 1 Claim is entitled to vote to accept or reject the Plan.

### 3.2. **Class 2 – Allowed Unsecured Claims**

(a) *Classification:* Class 2 consists of all Allowed Unsecured Claims.

(b) *Treatment:* Holders of Class 2 Allowed Unsecured Claims will receive Pro Rata distributions on account of the Allowed amount of such holder's Allowed Unsecured Claim, in Cash, which shall be made after payment in full of all Allowed Secured Claims as set forth in Section 3.1 above, payment in full of all Allowed Administrative Claims as set forth in Section 2.1 above, and payment in full of all Allowed Priority Claims as set forth in Sections 2.3 and 2.4 above and upon the later of: (i) the date that sufficient funds become available such that it is practicable and appropriate, in the Debtor's sole and absolute discretion, to make a distribution to the holders of Allowed Unsecured Claims, after the making of appropriate reservations, in the Debtor's sole and absolute discretion, for any Disputed Claims and unpaid post-confirmation administrative expenses; and (ii) the date that such Claims are Allowed.

**Class 2 is an impaired class.** Each holder of a Class 2 Claim is entitled to vote to accept or reject the Plan.

### 3.3. **Class 3 – Equity Interests**

(a) *Classification:* Class 3 consists of all Interests in the Debtor.

(b) *Treatment:* Class 3 Interest holders shall receive no Cash distribution or other property on account of their Interests under this Plan. Pursuant to Section 1126(g) of the Bankruptcy Code, this Class is deemed not to have accepted

this Plan, and, therefore, the holders of the Class 3 Interests are not required or entitled to vote on this Plan.

**Class 3 is an impaired class.** The holders of a Class 3 Claim are not required or entitled to vote on this Plan.

**ARTICLE 4**  
**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

4.1. On the Confirmation Date, all executory contracts and unexpired leases including, but not limited to, any and all collective bargaining agreements, that exist between Debtor (or the Debtor-in-Possession) and any person shall be deemed rejected as of the Confirmation Date, except for any executory contract or unexpired lease (i) that has previously been assumed or rejected pursuant to an order of the Court entered prior to the Confirmation Date, or (ii) as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to the Confirmation Date. Entry of the Confirmation Order shall constitute the approval, pursuant to Sections 365(a) and 1113 of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant hereto.

4.2. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 4.1 must be filed with the Court no later than thirty (30) days after the Confirmation Date. Any claim not filed within such time period will be forever barred from assertion against Debtor, the Debtor-in-Possession and/or the Estate. Unless otherwise ordered by the Court, all Claims arising from the rejection

of executory contracts and unexpired leases shall be treated as Class 3.2 Claims under the Plan.

4.3 The Debtor reserves and preserves the right to object to the allowance of a Claim arising from the rejection of an executory contract or unexpired lease, and to bring and prosecute any affirmative claim, counterclaim, or offset as part of any objection to any such Claim, pursuant to the provisions of Article 7 of this Plan.

#### **ARTICLE 5** **MEANS FOR IMPLEMENTATION OF PLAN**

5.1. This Plan provides for the complete liquidation of the Estate. The Plan shall be funded primarily by (i) the net proceeds from the liquidation of the Estate's property as defined in Section 541 of the Bankruptcy Code; (ii) the net proceeds of recovery from Debtor's Claims, if any; (iii) the Estate's Cash; and (iv) any recoveries relating to other causes of action or other property of the Estate of any kind in which the Debtor's estate may own or have an interest. All of these claims and causes of action shall be vested in the Debtor on the Effective Date of the Plan and the Debtor shall have the authority to investigate, analyze, prosecute, settle or waive each such claim or cause of action as the sole representative of the Estate under Section 1123(b)(3)(B) of the Bankruptcy Code.

5.2. The Committee, if any, shall dissolve on the Effective Date.

5.3. On the Effective Date, all of the Debtor's right, title, and interest in and to any asset of the Estate, including, but not necessarily limited to, real property,

fixtures, personal property, intellectual property, inventory, accounts receivable, contractual claims or interests, general intangibles, rights of setoff and recoupment, and refunds shall vest in the Debtor. The Debtor shall have the authority to sell such property at auction or by private sale.

5.4. The Debtor shall maintain all Cash received pursuant to this Plan in interest-bearing accounts, deposits, or investments permissible pursuant to Section 345 of the Bankruptcy Code for the benefit of all persons and entities entitled to distributions and payments under this Plan. However, if it is desirable for tax purposes, the Debtor may maintain all Cash received pursuant to this Plan in a non-interest-bearing account(s).

5.5. All of the Debtor's Claims and the right to object to any Claims and/or Interests in the Case are preserved and are transferred and assigned to the Debtor. This Plan expressly preserves the right of the Debtor to prosecute and enforce all of the Debtor's Claims post-confirmation. The Debtor may, in its sole and absolute discretion, prosecute, pursue, and enforce some or all of the Debtor's Claims and object to any Claims and/or Interests in the Case and, in connection therewith, may: (i) commence or continue any adversary proceeding or contested matter within the meaning of Bankruptcy Rule 9014; and (ii) settle and compromise any adversary proceeding or contested matter, subject to any necessary Court approval. The Debtor may settle and compromise, without further approval of the Court: (i) any objection to a Claim or Interest, the disputed portion of which is \$10,000.00 or less; and (ii) any of

the Debtor's Claims having an asserted value of \$10,000.00 or less. Any proceeds received by the Debtor from the prosecution, pursuit, and enforcement of the Debtor's Claims shall be held by the Debtor for the benefit of all persons and entities entitled to distributions and payments from such proceeds under this Plan.

5.6. The Estate shall indemnify and hold harmless the Debtor, and the Professionals employed by the Debtor from any claims, causes of action, costs, and expenses whatsoever (including attorneys' fees) incurred by them in defending any claims that are based upon any acts or omissions by them in their respective capacities; provided, however, that no person or entity shall be entitled to indemnification of costs or expenses incurred in defending acts of gross negligence or fraud, as determined by a final order of a court of competent jurisdiction. Any party entitled to such indemnification shall have an automatic, self-executing lien on all assets of the Estate, *pari passu*, with all other parties entitled to indemnification, but prior and superior to any right of payment of the holder of a Claim pursuant to the Plan.

5.7. Distributions.

5.7.1. Manner of Payments Under the Plan. Payments to be made pursuant to this Plan shall be made by check drawn upon the Debtor's accounts. Distributions to holders of Allowed Claims shall be made by the Debtor: (i) at the addresses set forth on the proofs of Claims filed with the Court in the Bankruptcy Case by such holders; (ii) at the addresses set forth in any written notices of address

changes delivered to the Debtor by such holders after the date of filing of any related proof of Claim (in which event the notice of address change will supersede and replace the address set forth on the related proof of Claim and any address set forth in the Debtors' bankruptcy schedules); or (iii) at the addresses reflected in the Debtors' bankruptcy schedules if no proof of Claim has been filed and the Debtor has not received a written notice of a change of address.

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

5.7.3. Fractional Cents. Notwithstanding any other provision of the Plan to the contrary, no payments of fractions of cents will be made. Whenever any payment of a fraction of a cent would otherwise be required, the actual payment may reflect a rounding of such fraction to the nearest whole cent (up or down).

5.7.4. Escheat. Claimants shall have thirty (30) days from the check date to negotiate any distribution checks. If said checks are not timely negotiated, any payment on such checks shall be stopped, and the corresponding funds shall escheat to the Debtor for the benefit of the Estate. If a Claimant's payment from a distribution has escheated hereunder, then no further payments shall be made to such Claimant,

and such Claimant's Claim shall thereafter be treated as though such Claim has been disallowed.

5.8. If a distribution to be made to a given holder of an Allowed Claim would be \$100.00 or less in the aggregate, notwithstanding any contrary provision of the Plan, no such distribution will be made to such holder.

5.9. The Debtor's authority to operate as a debtor in possession, pursuant to Section 1107 of the Bankruptcy Code, shall cease on the Effective Date. From and after the Effective Date, all corporate governance power concerning the Debtor shall be revested in the Debtor. From and after the Effective Date, Debtor shall continue in existence for the purpose of (i) winding up its affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to cash or other methods, or any remaining assets of the Estates, as expeditiously as reasonable possible, (iii) enforcing and prosecuting the Debtor's Claims, (iv) resolving Disputed Claims, (v) administering the Plan, and (vi) filing appropriate tax returns.

5.10. On the Effective Date, all of the Debtor's officers and directors shall be discharged of all responsibilities and duties whatsoever, except as otherwise expressly set forth herein.

5.11. Upon the distribution of all assets of the Estate pursuant to the Plan and the filing by or on behalf of Debtor of one or more certifications to that effect with the Bankruptcy Court, Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of Debtor;

provided, however, that Debtor shall file with the Office of the Secretary of State for the State of Michigan an appropriate certificate of dissolution.

5.12 Debtor may, but shall not be obligated to, pre-pay any of the claims at any time in its sole, absolute and unfettered discretion. If the Debtor elects to pre-pay any obligation, it shall not incur any pre-payment penalty, any such pre-payment penalty contained in any pre-petition contract, agreement or document shall not apply.

## **ARTICLE 6** **BAR DATE FOR FILING CLAIMS**

6.1 Pre-petition Unsecured Claims. The bar date for persons to file Pre-petition Claims in this Bankruptcy Case was December 6, 2016.

6.2 Administrative Claims and Professional Fees. The bar date for filing administrative expense priority claims arising prior to the Confirmation Date and for filing Professional Fee Applications for the period through the Effective Date shall be thirty (30) days after the Effective Date.

## **ARTICLE 7** **OBJECTIONS TO CLAIMS AND INTERESTS**

7.1. The Debtor may object to the allowance of or seek to subordinate any Claim or Interest, or object to the asserted priority status of any Claim, or object to the nature and/or extent of any alleged security interest in the assets of the Debtor or the Estate, whether listed on the bankruptcy schedules filed by the Debtor or asserted by a proof of Claim or Interest timely filed by or on behalf of any Creditor or Interest holder. Any such objection must be filed with the Court and served on or

before the later of thirty (30) days after: (i) the Effective Date; and (ii) any applicable claims bar date, unless said deadline is extended by order of the Court for cause shown; provided, however, that the deadline for objecting to Professional Fee Applications shall be governed by Rule 2002(a)(6) of the Bankruptcy Rules. There shall be no time limit by which the Debtor may object to any Claim or Interest not timely filed or deemed to have been filed.

7.2. The Debtor, on behalf of the Estate, reserves the right to bring and prosecute any affirmative claim, counterclaim, or offset as part of any objection to any Claim, and any such Claim objection shall then be treated as an adversary proceeding, as appropriate, in accordance with Rule 3007 of the Federal Rules of Bankruptcy Procedure.

7.3. The Debtor shall not make any distributions on account of any Claim subject to a pending objection.

## **ARTICLE 8** **PROVISIONS FOR RETENTION OF JURISDICTION**

8.1 After the Confirmation Date, the Court shall retain jurisdiction as follows:

- a. Over all matters pertaining to the interpretation, execution, consummation, implementation, and modification of this Plan and all matters arising out of, or related to, this Bankruptcy Case.
- b. To allow, disallow, and liquidate Claims.

c. To determinate all questions and disputes regarding title to the assets of the estate of Debtor, and all causes of action, controversies, disputes, or conflicts, whether or not subject to action pending as of the Confirmation Date, between Debtor or any other party. This shall include, but not be limited to, any cause of action, avoiding power or right of the Debtor to recover assets pursuant to the provisions of the Bankruptcy Code, including, without limitation, avoidance actions and claims initiated under §§506 and 510 of the Bankruptcy Code.

d. To direct the Debtor, its employees and shareholders, and any other party with an interest in this Bankruptcy Case to execute and deliver such documents and instruments as may be necessary or desirable to effect the sale and transfer of the assets of the Estate pursuant to this Plan, or to perform any other act necessary or desirable to effect consummation of this Plan.

e. To issue such orders and injunctions as may be necessary or desirable to effectuate the purposes of this Plan.

f. To enter orders allowing compensation and reimbursement of expenses to Professionals for services rendered on or before the Effective Date.

g. To hear and determine applications for the assumption or rejection of executory contracts or unexpired leases, and the allowance of Claims resulting therefrom.

- h. To recover all assets of Debtor and property of the Estate, wherever located.
- i. To preside over and adjudicate Debtor's Claims.
- j. To hear any matter not inconsistent with the Bankruptcy Code.
- k. To enter a final decree closing this Case.

**ARTICLE 9**  
**POST-CONFIRMATION RETENTION AND PAYMENT OF**  
**PROFESSIONALS**

9.1. On the Effective Date, the law firm of Zousmer Law Group PLC, shall be discharged of all responsibilities and duties as counsel for the Debtor. Post-confirmation, the Debtor may retain Professionals as the Debtor deems appropriate, in its sole and absolute discretion, to carry out the duties of the Debtor under this Plan. Any Professional that the Debtor desires to retain post-confirmation, and whose retention has not been approved by the Court prior to the Confirmation Date, shall only be required to file with the Court and serve upon the United States Trustee: (i) a notice of such retention, describing the scope and purpose of the retention, the Professional's qualifications, and the terms of compensation, and (ii) an Affidavit of Disinterestedness.

9.2. All Professionals seeking payment of post-confirmation fees and reimbursement of post-confirmation expenses shall submit monthly invoices to the Debtor and shall concurrently serve copies of such invoices upon Zousmer Law Group PLC. Each invoice must identify the activity for which compensation is sought, the

date of the activity, the person who performed the activity, and the amount of time expended in connection with the activity. All time expended shall be stated in tenths of an hour. If the Debtor, its counsel, or any other party in interest does not file with the Court an objection to an invoice within ten (10) days of the date of service thereof, then the Debtor shall immediately pay the invoice. If an objection is timely filed with the Court, then the Debtor shall immediately pay any undisputed portion of the subject invoice. The disputed portion of any invoice shall not be paid until such dispute is resolved by the parties' agreement or the Court.

9.3. At all times, the Debtor shall establish and maintain a reasonable reserve to cover anticipated Professional fees and expenses.

## **ARTICLE 10** **INJUNCTIONS AND RELEASES**

10.1. As of the Confirmation Date, and except as otherwise provided in this Plan and the Confirmation Order, each Creditor, Interest holder, and other party in interest, and each entity acting or purporting to act by, through, under, or on behalf of any of the foregoing, shall forever be enjoined from the commencement or continuation of any action, the employment of process, or any act to assert a claim for relief against the Debtor and its officers, directors, employees, principals, agents, attorneys, financial advisors, or other Professionals with respect to: (i) any actions taken during the course of the Bankruptcy Case; (ii) this Plan; (iii) the authorization for or the formulation, negotiation, confirmation, or consummation of this Plan; (iv)

distributions, payments, or transfers made under this Plan; or (v) acts performed pursuant to the Plan; provided, however, that such injunction and release shall not be applicable to any acts or omissions which constitute gross negligence, fraud, or willful misconduct.

10.2. Except as otherwise provided in this Plan or the Confirmation Order, as of the Confirmation Date, all persons and entities shall be precluded from asserting against the Estate any other or further claims, debts, actions, causes of action, liabilities, or interests which are not already time-barred or otherwise barred and which are based upon any act, omission, activity, event or transaction that occurred prior to the Confirmation Date.

10.3. Except as otherwise provided in this Plan or the Confirmation Order, as of the Confirmation Date, all persons and entities that hold or may hold a Claim or Interest are permanently enjoined from taking any of the following actions against the Estate, the Debtor, and their respective officers, directors, shareholders, members, representatives, attorneys, financial advisors, other Professionals and agents, on account of any such Claims or Interests: (i) commencing or continuing, in any manner or place, any action or proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order; (iii) creating or perfecting any Lien or encumbrance; and/or (iv) commencing or continuing any action in any manner or in any place that does not comply, or is consistent, with this Plan.

10.4.

**ARTICLE 11**  
**CRAMDOWN**

11.1 Cramdown. If all applicable requirements of Section 1129(a) of the Bankruptcy Code, other than Section 1129(a)(8), are met with respect to this Plan, the Debtor hereby requests that the Court confirm this Plan pursuant to Section 1129(b) of the Bankruptcy Code.

**ARTICLE 12**  
**EFFECT OF CONFIRMATION**

12.1 Confirmation shall 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 and the entities listed in Articles II and III.

**ARTICLE 13**

Omitted

**ARTICLE 14**  
**UNITED STATES TRUSTEE FEES**

14.1 The Debtor shall continue to pay to the United States Trustee the appropriate sums required pursuant to 28 U.S.C. §1930(a)(6) until such time as the Chapter 11 Case is closed by the Court.

**ARTICLE 15**  
**MISCELLANEOUS PROVISIONS**

15.1 No Transfer Taxes. Any transfers contemplated by this Plan, or arising pursuant to this Plan, including the sale of any real property interest held by the Estate, shall be accorded the benefits of Section 1146(c) of the Bankruptcy Code.

15.2 Bank Accounts and Cash. All Cash held in bank accounts (or in any other location) for the benefit of the Debtor or its Estate shall continue to be assets of the Estate.

15.3 Dissolution of Debtor. Upon the distribution of all assets of the Estate pursuant to the Plan and the filing by or on behalf of the Debtor of a certification to that effect with the Bankruptcy Court, the Debtor shall be deemed dissolved for all purposes without the necessity of any other or further action to be taken by or on behalf of the Debtor or payments to be made in connection therewith; provided, however, that Debtor shall file with the Office of the Michigan Corporation Securities and Land Development Bureau, a certificate of dissolution. From and after the Effective Date, the Debtor shall not be required to file any document, or take any other action, to withdraw its business operations from any state in which the Debtor was previously conducting its business operations. The Debtor shall be authorized to abandon any personal property of the Debtor without further approval of the Court.

15.4 Preservation of Insurance. The provisions of this Plan shall not diminish or impair the enforceability of any insurance policies that may cover insurance claims against the Debtor or any other person or entity.

15.5 Notice. All notices, requests, elections, or demands in connection with the Plan, including any change of address of any Claimant for the purposes of receiving distributions under the Plan, shall be in writing and shall be delivered personally, or by facsimile and confirmed by first class mail, or by overnight express

mail (e.g., Federal Express). Such notice shall be deemed to have been given when received. Any such notice, if sent to the Debtor's counsel, shall be addressed to:

ZOUSMER LAW GROUP PLC  
Attn: Michael I. Zousmer  
4190 Telegraph Rd., Ste. 3000  
Bloomfield Hills, Michigan 48302  
Telephone: (248) 351-0099  
Facsimile: (248) 209-6457

15.6 Notice of Effective Date. Within three (3) Business Days following the occurrence of the Effective Date, the Debtor shall file with the Court a Notice of the Effective Date, which notice shall constitute good and sufficient notice and adequate evidence that this Plan has become effective.

15.7 Governing law. Unless a rule of law or procedure is supplied by federal law (including, but not limited to, the Bankruptcy Code and the Bankruptcy Rules), the laws of the State of Michigan shall govern the construction and implementation of the Plan and any agreements, documents, or instruments executed in connection with the Plan.

15.8 Successors and Assigns/Binding Effect. The rights and obligations of any person or entity named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the heirs, successors, and assigns of such person or entity.

15.9 Modification of the Plan. The Debtor may, from time to time, propose amendments or modifications to this Plan prior to its confirmation, without leave of Court, in accordance with Rule 3019 of the Bankruptcy Rules. After the Confirmation Date, the

Debtor may amend or modify this Plan only pursuant to an order of the Bankruptcy Court, entered upon notice and an opportunity for hearing to the affected Creditor(s).

15.10 Notwithstanding anything in this Plan to the contrary, the Debtor shall not be obligated to make any payments towards any Contested Claim. Further, the Debtor shall not be required to make any payments for an Allowed Claim to any Creditor if the Debtor has 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.

15.11 The 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.

## **DISCLOSURE STATEMENT**

### **I. Introduction**

The purpose of this Disclosure Statement is to provide to Creditors adequate information of a kind, and sufficient in detail, so far as is reasonably practicable, regarding the nature and history of the Debtor and the Bankruptcy Case, and certain matters related to the Plan, so that Creditors may make an informed judgment regarding the Plan. THE PLAN

SHOULD BE READ CAREFULLY IN CONJUNCTION WITH THIS DISCLOSURE STATEMENT.

The statements contained in the Plan and this Disclosure Statement are made as of the date hereof. Neither the filing with the Bankruptcy Court or the service of the Plan and this Disclosure Statement upon Creditors and parties in interest shall create any implication that there has been no change of the facts set forth herein since the date hereof.

All capitalized terms in this Disclosure Statement shall have the meanings given to them in the Plan.

## **II. Description of the Debtor and the Debtor's Business**

Representing over 100 years of container sales and distribution, Debtor, a Michigan corporation, is a modern industrial packaging distribution company capable of meeting the needs of modern global commerce. Richard Rubin is the sole shareholder of the Debtor. Mr. Rubin, a licensed attorney, has spent the past 25 years in the container business, earned \$79,024.00 during the Bankruptcy Case.

## **III. Causes for the Commencement of the Bankruptcy Case**

Pre-petition, the Debtor experienced a decrease in sales primarily due to consolidation in the industry.

## **IV. Post-Petition Events of Significance**

As of the Petition Date, the Debtor was indebted to Great Lakes Business Credit LLC ("GLBC") in the approximate amount of \$487,000.00, plus interest and other fees and expenses chargeable and reimburseable under the pre-petition loan documents. Debtor

required post-petition financing and use of cash collateral to avoid immediate and irreparable harm. Absent financing and use of cash collateral, Debtor would not have been able to pay its operating expenses and, therefore, would not have been able to continue its business operations. Accordingly, on August 18, 2016, the Court entered Interim Order Authorizing Debtor To Obtain Secured Credit From And Providing Adequate Protection To Great Lakes Business Credit, LLC (the “Financing Order”), pursuant to which Debtor was authorized to borrow certain funds from GLBC per the budget. The Financing Order expired on November 7, 2016 but GLBC has agreed to continue to provide financing.

After a thorough analysis during this Bankruptcy Case, Debtor determined that its business was not viable given its decreased revenue, cash flow challenges and increased expenses. The Debtor has not, after the Petition Date, transferred any assets outside its ordinary course of business and the Debtor has not engaged in any post-petition litigation. There is no pending litigation by or against the Debtor.

## **V. Assets and Liabilities/ Liquidation Analysis**

A. Liquidation. All of the Debtor’s remaining property will be liquidated pursuant to this Plan. The Plan shall be funded primarily by (i) the net proceeds from the liquidation of the Estate’s property as defined in Section 541 of the Bankruptcy Code; (ii) the net proceeds of recovery from Debtor’s Claims; and (iii) any recoveries relating to other causes

of action or other property of the Estate of any kind in which the Debtor's estate may own or have an interest.<sup>2</sup>

**B. Liquidation Analysis<sup>3</sup>.**

<u>Collateral</u>	<u>Secured Creditor</u>	<u>Amount of Asserted Claim</u>	<u>Liquidation Value</u>	<u>Fair Market Value</u>	<u>Equity</u>
Causes of Action	--	--	\$0.00	\$0.00	\$0.00
Inventory	GLBC	\$516,457.37	\$ 97,387.39 <sup>4</sup>	\$163,426.97 <sup>5</sup>	\$0.00
Trailers	GLBC	\$516.457.37	\$100,000.00	\$140,000.00	\$0.00
Machinery & Equipment	GLBC	\$516.457.37	\$ 30,000.00	\$ 50,000.00	\$0.00
Accounts Receivable	GLBC	\$516,457.37	\$200,000.00	\$238,887.08	\$0.00
2010 Ford Escape	-----	-----	\$ 1,500.00	\$ 2,137.00	\$1,500
2013 Ford Escape	FMC	> value	<u>\$ 0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
			\$428,887.39	\$594,451.05	\$1,500

Based upon the above liquidation analysis and the amount of the Claims , Debtor does not anticipate a distribution to unsecured creditors.

**C. Risks and Assumptions.** This Plan is premised upon the liquidation of Debtor's Claims. It is unclear whether the Debtor will be successful in prosecuting the Debtor's Claims. Accordingly, it is uncertain whether, upon liquidation, the property of the Estate

<sup>2</sup> The Debtor does not anticipate, at this time, any recovery related to any causes of action.

<sup>3</sup> All liquidation values are based upon Mr. Rubin's best faith estimates and are not derived from any independent professional analysis.

<sup>4</sup> Debtor's cost.

<sup>5</sup> Debtor's sale price.

will yield net proceeds in an amount sufficient to make a distribution to holders of Allowed Claims.

D. Potential Claims and Causes of Action. The Debtor reserves the right to object to any Claims in this Bankruptcy Case on any appropriate basis including, but not limited to, the extent, validity, and enforceability of any alleged security interest asserted in connection with any Claim and the validity and amount of any Claim, as well as its right to assert any claim as a counterclaim or offset to a Claim in the context of an objection to a Claim. Without limiting the foregoing, the Debtor specifically reserves and preserves all of the Debtor's Claims which include, but are not limited to, any claims arising under Sections 506, 542, 543, 544, 545, 547 through 551 and 553 of the Bankruptcy Code. At the present time, the Debtor is not aware of any significant Debtor's Claims.

E. Claims. The Debtor scheduled \$487,000.00 in secured claims; \$0.00 in priority claims and \$1,186,574.62 in unsecured claims. Additionally, the Debtor is aware of an administrative expense claim of approximately \$20,000 to the Debtor's attorneys.

## **VI. Post-Confirmation Management and Administration**

The Debtor's business operations essentially ceased in December 2016. Further business activity will be limited to liquidating Debtor's assets, objecting to Claims, prosecution of Debtor's Claims, if any, and distributions to Creditors pursuant to the Plan.

## **VII. Details Regarding Implementation of the Plan**

A. Financial Information. Because substantially all of the Debtor's business operations ceased in December 2016 and the Plan anticipates a liquidation of Debtor's assets, the Debtor submits that the inclusion of no further financial information is necessary.

B. Tax Implications. The Debtor will examine the tax consequences of this Plan upon the Estate. However, the Debtor does not believe at this time that any tax consequences from the confirmation of this Plan will have an adverse impact upon the Estate. The federal income tax consequences of the Plan to Creditors will depend upon, among other things, the payments to be received, whether the Creditor reports income using the accrual or cash method, and whether the Creditor has taken a bad-debt deduction with respect to its Claim. THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER, OR ITS OWN TAX ADVISOR REGARDING SUCH TAX CONSEQUENCES.

## **VIII. 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 interests, that are impaired under the plan.

Accordingly, classes of claims or interests that are unimpaired 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 Rule 3018 of the Federal Rules of Bankruptcy Procedure.

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.

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.

Section 1129(a) of the Bankruptcy Code 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 in paragraph B, 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, shareholders and other parties in interest, regardless of whether they have accepted the Plan.
2. Except as provided in the Plan:
  - (a) In the case of a corporation that is reorganizing and continuing business:
    - (1) All claims and interests will be discharged.
    - (2) Creditors and shareholders will be prohibited from asserting their claims against or interest in the debtor or its assets.
  - (b) In the case of a corporation that is liquidating and not continuing its business:
    - (1) Claims and interests will not be discharged.
    - (2) Creditors and shareholders will not be prohibited from asserting their claims against or interest in the debtor or its assets.
  - (c) In the case of an individual or husband and wife:
    - (1) Claims will be discharged, except as provided in 11 U.S.C. §§523 and 727(a). **Unless the court orders otherwise, the discharge will be entered after**

**completion of plan payments as provided in § 1141(d)(5)(a). It is the usual practice of the court to close Chapter 11 cases after confirmation. It is the responsibility of the individual debtor to file a motion to reopen the case for entry of discharge upon completion of plan payments.**

- (2) 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).

Section VIII E 2(b) applies to this case.

### **CONCLUSION**

This Plan is proposed in good faith and meets the requirements for confirmation pursuant to Section 1129 of the Bankruptcy Code. The Debtor submits that this Plan is in the best interests of all Creditors. Accordingly, the Debtor urges holders of impaired Claims to vote to accept this Plan and to evidence such acceptance by timely returning completed ballots.

MAXI CONTAINER, INC.

/s/ Richard Rubin  
By: Richard Rubin  
Its: Sole Shareholder

ZOUSMER LAW GROUP PLC

/s/ Michael I. Zousmer  
By: Michael I. Zousmer (P47190)  
4190 Telegraph Rd., Ste. 3000  
Bloomfield Hills, Michigan 48302  
(248) 351-0099  
Attorneys for the Debtor

Dated: January 13, 2017