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9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF NEVADA**

11 In re:)
12)
13 **06-007 BIGGS BUSINESS TRUST,**)
14)
15)
16)
17)
18)
19 Debtor.)
20)
21)
22)
23)
24)
25)
26)
27)
28)

Case No: 14-14027-LED
Chapter 11

Date: May 24, 2016
Time: 9:30 a.m.

AMENDED DEBTOR'S DISCLOSURE STATEMENT

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1 06-007 BIGGS BUSINESS TRUST, Debtor and Debtor-in-Possession ("Biggs" or
2 "Debtor") in the above case, provides this Disclosure Statement to its known creditors for the
3 purpose of voting on the Plan of Reorganization filed on March 24, 2016. A copy of the
4 Proposed Plan is attached hereto as "Exhibit 1".

5 **I. INTRODUCTION**

6
7 The Debtor, BIGGS filed its voluntary petition under Chapter 11 of the Bankruptcy
8 Code on June 6, 2014. ("Petition Date"). Pursuant to Sections 1107 and 1108, the Debtor is the
9 Debtor-in-possession representative of their bankruptcy estate.

10 The Debtor has prepared this Disclosure Statement in connection with the solicitation of
11 acceptance of its Plan filed on March 24, 2016. The purpose of this Disclosure Statement is to
12 provide adequate information of a kind, and in sufficient detail, that would enable a hypothetical
13 reasonable investor, typical of the holders of claims and equity interests, to make an informed
14 judgment about the Plan. An acceptance or rejection of the Plan must be in writing and may
15 only be made by completing the ballot that accompanies the Plan. In order for your vote to be
16 counted, it must be received no later than 5:00 p.m. (Pacific Daylight Time) on _____,
17
18 2016, at the following address:

19
20 Law Office of Timothy P. Thomas, LLC
21 1771 E. Flamingo Rd. Suite B-212
22 Las Vegas, Nevada 89119

23 Unless otherwise defined herein, the terms defined in the Plan shall have the same
24 meanings when used in the Disclosure Statement. In addition, unless otherwise defined, terms
25 used in the Disclosure Statement and Plan shall have the same meaning as in the U.S.
26 Bankruptcy Code or the Bankruptcy Rules.
27
28

1 **II. INFORMATION REGARDING THE PLAN AND DISCLOSURE STATEMENT**

2 **A. Overview**

3 The objective of a chapter 11 case is the confirmation of a plan of reorganization by the
4 Bankruptcy Court. The formulation of a Plan of Reorganization ("Plan") sets for the means of
5 satisfying claims against the interests of the debtor. The Plan describes in detail, and in
6 language appropriate for a legal contract the means for satisfying claims. The Plan places
7 claims in separate classes and describes the treatment of each class, including whether the
8 claims are impaired or unimpaired. After a Plan has been filed, the holders of such claims that
9 are impaired, as defined in Section 1124, are permitted to submit a vote to accept or reject the
10 Plan. If confirmed, your recovery will be limited to the treatment set forth in the terms of the
11 Plan. If confirmed, your recovery will be limited to the treatment set forth in the terms of the
12 Plan.
13 Plan.

14 The Court will consider whether the Plan has satisfied the various requirements of the
15 Bankruptcy Code, including, but not limited to, whether it is feasible and whether it is in the
16 best interests of holders of claims and interests. The Bankruptcy Court will also receive a ballot
17 summary prepared by the Plan proponent concerning the votes for acceptance or rejection of the
18 Plan by holders of claims and interests entitled to vote.
19 Plan by holders of claims and interests entitled to vote.

20 The Court has reserved May 10, 2016 at 9:30 a.m., Pacific Daylight Time, for the
21 hearing on the adequacy of the Disclosure Statement. The hearings may be continued from time
22 to time without further written notice. Section 1125 sets forth the requirements for a Disclosure
23 Statement.
24 Statement.

25 The Disclosure Statement is submitted in accordance with Section 1125 for the purpose
26 of soliciting acceptance of the Plan from holders of claims and interests. The purpose of the
27 Disclosure Statement is to,
28 Disclosure Statement is to,

- 1 (a) Provide adequate information to enable a hypothetical reasonable investor typical of
2 the holders of claims in the case to make an informed judgment about the Plan;
- 3 (b) Set forth information regarding the history of the Debtor, the filing of the Chapter 11
4 Petition and the Plan;
- 5 (c) Advise Creditors of the proposed resolution of their Claims; and
- 6 (d) Assist the Bankruptcy court in making an informed decision regarding whether the
7 Plan complies with the requirements of the Bankruptcy Code.
- 8

9 No post-petition solicitation of votes on the Plan may be made except pursuant to this
10 Disclosure Statement and no person has been authorized to utilize any information concerning
11 the Debtor other than the information contained in this Disclosure Statement for purposes of
12 solicitation.
13

14 **B. ADMONITIONS**

15 **THIS DISCLOSURE STATEMENT IS NOT THE PLAN. THIS DISCLOSURE**
16 **STATEMENT AND THE EXHIBITS TO THIS DISCLOSURE STATEMENT,**
17 **TOGETHER WITH THE PLAN WHICH IS ATTACHED HERETO AS EXHIBIT 1,**
18 **SHOULD BE READ IN THEIR ENTIRETY. FOR THE CONVENIENCE OF**
19 **CREDITORS, THE PLAN IS SUMMARIZED IN THIS DISCLOSURE STATEMENT,**
20 **BUT ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN**
21 **ITSELF, WHICH IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY.**

22 **INTERESTED PARTIES MAY ALSO OBTAIN FURTHER INFORMATION**
23 **FROM THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF**
24 **NEVADA, INCLUDING ACCESS TO THE DOCKET FOR THIS CASE, AT THE**
25 **COURT'S WEBSITE: WWW.NVB.USCOURTS.GOV.**
26
27
28

1 **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY**
2 **COURT DOES NOT MEAN THAT THE BANKRUPTCY COURT RECOMMENDS**
3 **ACCEPTANCE OR REJECTION OF THE PLAN.**

4 **THE STATEMENTS AND INFORMATION CONCERNING THE DEBTOR SET**
5 **FORTH IN THIS DISCLOSURE STATEMENT CONSTITUTE THE ONLY**
6 **STATEMENTS OR INFORMATION CONCERNING SUCH MATTERS THAT HAVE**
7 **BEEN APPROVED BY THE BANKRUPTCY COURT FOR THE PURPOSE OF**
8 **SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. THE**
9 **STATEMENTS AND INFORMATION ABOUT THE DEBTOR AND THE FINANCIAL**
10 **INFORMATION OF DEBTOR INCLUDING ALL FINANCIAL PROJECTIONS AND**
11 **INFORMATION REGARDING CLAIMS CONTAINED IN THE DISCLOSURES**
12 **STATEMENT HAVE BEEN PREPARED FROM DOCUMENTS AND INFORMATION**
13 **OBTAINED FROM THE DEBTOR. CERTAIN ESTIMATES, ASUMPTIONS AND**
14 **PROJECTIONS MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE**
15 **RESULTS. THERE CAN BE NO ASSURANCE THAT ANY FORECASTED OR**
16 **PROJECTED RESULTS CONTAINED IN THIS DISCLOSURE STATEMENT WILL**
17 **BE REALIZED AND ACTUAL RESULTS MAY BE MATERIALLY DIFFERENT**
18 **FROM THOSE SHOWN. DEBTOR IS UNABLE TO AND DOES NOT WARRANT OR**
19 **REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURES**
20 **STATEMENT IS WITHOUT ERROR.**

21 **THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE**
22 **MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS ANOTHER**
23 **TIME IS SPECIFIED. NEITHER THE DELIVERY OF THIS DISCLOSURE**
24

1 STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH
2 THE PLAN SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION
3 THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH IN
4 THE DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE
5 STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THIS
6 DISCLOSURE STATEMENT WERE COMPILED.
7

8 THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
9 PURPOSE OTHER THAN TO ASSIST THE COURT IN DETERMINING WHETHER
10 THE PLAN COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY
11 CODE, AND THE DISCLOSURE STATEMENT MAY ALSO BE RELIED UPON FOR
12 THE PURPOSE OF DETERMINING WHETHER TO VOTE IN FAVOR OF OR
13 AGAINST THE PLAN. NOTHING CONTAINED IN THIS DISCLOSURE
14 STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY
15 ANY PARTY NOR IS IT CONCLUSIVE EVIDENCE OF TAX OR OTHER LEGAL
16 EFFECTS OF THE REORGANIZATION OF THE DEBTOR ON HOLDERS OF
17 CLAIMS OR HOLDERS OF INTERESTS.
18
19

20 AT THE CONFIRMATION HEARING, THE BANKRUPTCY COURT WILL
21 CONSIDER WHETHER THE PLAN SATISFIES THE VARIOUS REQUIREMENTS
22 OF THE BANKRUPTCY CODE. THE BANKRUPTCY COURT WILL ALSO
23 RECEIVE BALLOT SUMMARIES WHICH WILL PRESENT A TALLY OF THE
24 VOTES OF CLASSES ACCEPTING OR REJECTING THE PLANS AS CAST BY
25 THOSE ENTITLED TO VOTE. ONCE CONFIRMED, THE PLANS WILL BE
26 TREATED ESSENTIALLY AS CONTRACTS BINDING ALL CREDITORS AND
27
28

1 **OTHER PARTIES-IN-INTEREST IN THE CHAPTER 11 CASES.**

2 **C. Ballots and Voting**

3 Only creditors whose claims have been allowed for the purposes of voting and are
4 “impaired” by the plan are entitled to vote on the Plan. According to the designation of Classes
5 of claims set forth under the Plan, holders of claims in all Classes are “impaired” by the Plan
6 and are entitled to vote on the plan, and the holders of those claims shall receive a ballot and be
7 permitted to vote to accept or reject the Plan.
8

9 Creditors are entitled to vote on confirmation on the Plan unless, (i) their class is
10 unimpaired or is to receive no distribution; (ii) an objection has been filed to the creditor's
11 claim; (iii) the creditor's claim is scheduled by Debtor as contingent, disputed, unliquidated or
12 unknown and the creditor has not filed a proof of claim; or (iv) the claim is unclassified. A
13 creditor whose claim has been either objected to or has been scheduled by Debtor as contingent,
14 disputed, unliquidated or unknown or the creditor has not filed a proof of claim and who wishes
15 to vote, must move to have its claim allowed for voting purposes by filing a motion for such
16 relief in time for that motion to be heard before the hearing on confirmation of the Plan. A
17 creditor whose claim has been allowed in part as secured and in part as an unsecured claim is
18 entitled to accept or reject a Plan in each capacity by casting one ballot for the secured portion
19 of the claim and another ballot for the unsecured portion of its claim.
20
21

22 A creditor is entitled to vote on the Debtor’s plan of reorganization only if the creditor
23 holds a valid claim with regard to the Debtor. Creditors will be issued separate ballots for each
24 class and for each specific claim which they hold that is entitled to a vote. Ballots returned for
25 invalid claims will be disregarded.
26

27 ///

1 **D. Confirmation and Objections**

2 1. Adequacy of the Plan

3 In order to be confirmed, the Plan must meet the requirements listed in Section 1129(a)
4 or (b) of the Bankruptcy Code. Those requirements include (1) the Plan must be proposed in
5 good faith; (ii) at least one impaired class of claims must accept the Plan, without counting
6 votes of insiders; (iii) the Plan must distribute to each creditor and equity interest holder at least
7 as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case,
8 unless the creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be
9 feasible, meaning that there is a reasonable probability that under the terms of the Plan, the
10 debtor will be able to meet its obligations without need for further financial reorganization or
11 protection from the Bankruptcy Court. These requirements are not the only requirements listed
12 in Section 1129, and they are not the only requirements for confirmation.
13
14

15 2. Objections and Voting Requirements.

16 Section 1128(b) provides that a party in interest may object to confirmation of a plan.
17 Any objections to the adequacy of the Disclosure Statement or to confirmation of the Plan must
18 be in writing and specify in detail the name and address of the objector. Any Plan confirmation
19 objection must be filed with the Bankruptcy court and served on counsel for the Debtor,
20 Timothy P. Thomas, Esq. at the address indicated on the front page of this Disclosure
21 Statement.
22

23 At least one allowed and impaired class of claims must vote to accept the Plan without
24 counting votes of insiders or all impaired classes must vote to accept the Plan, unless the Plan is
25 eligible to be confirmed by “cram down” on non-accepting classes, as discussed below.
26

27 A class accepts the Plan if both of the following occur: (A) the holders of more than
28

1 one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan;
2 and (B) the holders of at least two-thirds (2/3) of the dollar amount of the allowed claims in the
3 class, who vote, casts their votes to accept the Plan.

4 3. Cramdown of Non-Accepting Classes.

5 Even in the event that one or more impaired classes rejects the Plan, the Court may
6 nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed
7 by §1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a
8 “cram down” plan. The Code allows the Plan to bind non-accepting classes of claims if it meets
9 all requirements for consensual confirmation except the voting requirements of §1129(a)(8) of
10 the Code, and it does not “discriminate unfairly” and is “fair and equitable” toward each
11 impaired class that has not voted to accept the Plan.
12
13

14 Confirmation of a reorganization plan without full acceptance of all impaired classes is
15 referred to as a “cramdown.” If a “cramdown” is granted, the claimholder can elect under
16 1111(b) of the Code to either be deemed secured in the entire amount of their claim or to accept
17 the cramdown and receive distributions for the unsecured portion of their claim to be shared
18 pro-rata with other creditors.
19

20 With regard to the Plan, the Bankruptcy Court will (a) determine whether the Plan has
21 been accepted by the requisite majorities of each Voting Class; (b) determine all objections to
22 the Plan and to Confirmation of the Plan; (c) determine whether the Plan meets the requirements
23 for Confirmation of the Plan; (d) determine whether the Plan meets the requirements of the
24 Bankruptcy Code and has been proposed in good faith; and (e) confirm or refuse to confirm the
25 Plan.
26

27 A separate notice will be served with this Disclosure Statement and the Plan which
28

1 reflects the dates and deadlines set forth above.

2 **III. REPRESENTATIONS**

3 Unless otherwise specifically noted, the financial information in this Disclosure
4 Statement has not been subject to audit. Instead, this Disclosure Statement was prepared from
5 information compiled from records maintained in the ordinary course of the Debtor business.
6 Debtor has attempted to be accurate in the preparation of this Disclosure Statement.
7

8 Other than stated herein, the Debtor has not authorized any representations or assurances
9 concerning Debtor or its business operations or the value of their assets. Therefore, in deciding
10 to accept or reject the Plan, you should not rely on any information relating to the Debtor or the
11 Plan other than that contained in the Disclosure Statement or in the Plan itself.
12

13 **IV. BACKGROUND AND EVENTS LEADING TO THE CHAPTER 11 FILING**

14 **A. The Debtor and Its Business**

15 The Debtor is a holding company for multiple real estate parcels on behalf of the owners of
16 partial interest in the Debtor. Debtor is in the business of managing and marketing the real
17 property for sale following foreclosure of a secured debt.
18

19 **B. Events Leading to the Chapter 11 Filing.**

20 The Debtor acquired real Property through a foreclosure of Deed of Trust. The investors in
21 the deed of trust against the Property formed the Debtor to hold title to and manage the real
22 property. The deed of trust was held by Windemere Capital, LLC as agent for the investors.
23 Windemere foreclosed upon the Deed of Trust on behalf of the Debtor's equity holders on
24 February 27, 2012. Management of the trust was originally controlled by Windemere
25 Properties. Prior to filing the petition, the management was transferred to Mesa Asset
26 Management ("Mesa"). Mesa has retained as manager of the Debtor entity to manage the
27
28

1 liquidation of the real property. Mesa does not hold an equity position in the Debtor. The
2 Property is subject to unpaid property taxes. The taxes are significantly less than the fair market
3 value of the real property. The taxing authority had noticed a tax sale which would have
4 transferred the Property for less than the invested amounts of the owners and for less than the
5 fair market value of the real property. In order to avoid the tax sale and maximize the recovery
6 of value from the Property, the Debtor filed this Chapter 11 reorganization Bankruptcy.
7

8 The Debtor entity was formed in 2012, but has no business operations beyond the holding of
9 the Property. The Debtor has no current employees and no other ongoing liabilities.

10 **C. Debtor's Strategy for Reorganization**

11 The Debtor plans to satisfy current tax obligations through the marketing and sale of the
12 Property. Mesa Asset Management will be retained to manage the Debtor, in consideration for
13 a management fee, calculated and receive a management fee of \$750/mo;\$9,000/yr. Debtor
14 holds a 67.61% interest in six (6) parcels of real property located in Butte County, California
15 more specifically described by APN Nos.022-140-009-000, 022-140-010-000, 022-140-011-
16 000, 022-100-014-000, 022-170-009-000, and 022-170-065-000. (the "Property"). Based upon
17 the comparable sales and marketing of the surrounding communities and properties, the
18 Property is estimated to be valued at \$2,100,000.00, with Debtor's percentage of interest in the
19 Property valued at approximately \$1,419,810.00. In an effort to complete a sale, the investor
20 owners are willing to accept a loss on their original investment in the secured loan.
21
22
23

24 The City of Biggs, California, has filed an eminent domain litigation against 160 acres of
25 the Property. City of Biggs vs. Mesa Asset Management, LLC, et. al, Case No. 164070,
26 Superior Court of California, County of Butte, filed March 15, 2015 The eminent domain action
27 seeks only to take the parcels APN Nos.022-140-009-000, 022-140-010-000, and 022-140-011-
28

1 000 from the Debtor. On, December 15, 2014, the U.S. Bankruptcy Court granted relief from
2 the automatic stay to allow the eminent domain litigation to proceed to determine the full
3 market value of the Property. The City of Biggs has estimated the value of this portion of the
4 Debtor's assets to be valued at \$1,490,000. The Debtor is not contesting the City's authority to
5 take the property, but does contest that the fair market value of the property is higher. The City
6 has already taken possession and control of the property.
7

8 Debtor plans to continue pursuing the liquidation of the Property during the Plan period to
9 meet the ongoing property tax obligations and reduce the arrears on real estate tax expense.
10 These efforts to market the sale of the Property are to be done in order to protect and recover the
11 maximum recovery for the investors while satisfying the taxing authority in full.
12

13 Debtor Biggs estimates that the eminent domain payment will liquidate sufficient assets
14 to satisfy the creditor's claims entirely. All proceeds will be allocated to pay priority and
15 secured tax debts upon the sale of the property. Debtor intends to liquidate all remaining assets
16 and terminate operations. Subsequent to payment in full of all administrative and unsecured
17 creditor claims, remaining sales proceeds will be distributed to the investors as a return of
18 investment.
19

20 **V. DESCRIPTION OF THE DEBTOR'S ASSETS AND LIABILITIES**

21 **A. Debtor's Assets**

22 Real Property

23 Debtor holds a 67.61% interest in six parcels of real property located in Butte County,
24 California more specifically described by APN Nos.022-140-009-000, 022-140-010-000, 022-
25 140-011-000, 022-100-014-000, 022-170-009-000, and 022-170-065-000. (the "Property").
26 Debtor has no outstanding account receivables, equipment or tangible assets. The properties
27
28

1 market value is approximately \$1,490,000.

2 **B. Principal Liabilities of the Debtors**

3 The primary creditor of the Debtor is the Butte County Treasurer, which holds a priority
4 claim in the amount of \$513,038.00 for property taxes, plus continued post-petition accrued
5 taxes and interest. The general unsecured claims amount to \$93,820.00, and consist of
6 additional capital investments made by the investing creditors to satisfy administrative and
7 operating costs, and the accrued management fees of Mesa. See note 1¹

9 **VI. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE**

10 As of December 7, 2015, the Bankruptcy Court's docket contained 76 entries on the
11 case. Below is a summary of material applications, motions and all adversary proceedings filed
12 to date.

14 **A. Filing of Bankruptcy and Retention of Counsel**

15 On June 6, 2014, Debtor filed its Chapter 11 Bankruptcy Petition through the Law Office of
16 Timothy P. Thomas, LLC as Debtor's counsel.

17 On August 19, 2014, the Court entered an Order approving Motion to Employ the Law
18 Office of Timothy P. Thomas, LLC.

20 On July 10, 2014, the Debtor completed the Section 341 Meeting of Creditors.

21 On October 30, 2014, the City of Biggs filed its Motion for Relief from Automatic Stay to
22 pursue an eminent domain litigation against the Debtor with regard to 160 acres of Property.

24
25 _____
26 ¹ Total property taxes equal \$513,038.12. This is pre and post bankruptcy.
27 Unsecured claims: Mesa has \$73,070.04 in costs. The investors are due
28 \$15,790.48 in reimbursable costs. There is interest due on these numbers.
Mesa is due \$20,750.00 in prior management fees.

1 On December 2, 2014, the Court granted the Motion for Relief from Automatic Stay
2 allowing the City of Biggs to proceed with the eminent domain proceedings to determine the
3 value of the Property to be paid to the estate. The eminent domain litigation was filed and
4 service of the Complaint has taken several months of 2015 to complete.

5 The eminent domain litigation involves the City of Biggs asserting its authority to take
6 possession of personal property for public use under the Fifth Amendment of the U.S.
7 Constitution. The power to take property must be justly compensated by the municipality to the
8 owners of the property, i.e. the Debtor. The City of Biggs has deposited the sum of
9 approximately \$1,490,000 with the State Court. The Debtor is contesting the taking in an effort
10 to increase the amount of compensation to be paid by the City of Biggs. The State Court will
11 determine the fair market value of the property to establish the amount of just compensation.
12

13 The U.S. Trustee's office has entered a conditional order on a motion to dismiss the
14 bankruptcy case for failure to confirm a plan of reorganization. This conditional order has been
15 extended by stipulation between the Debtor and the U.S. Trustee's office to allow until July 16,
16 2016, for the attached Proposed Plan of Reorganization to solicit ballots for approval of the Plan
17 and to hold a confirmation hearing. In the event that the Proposed Plan of Reorganization is
18 approved and confirmed by the Court, the terms of the Plan will control the assets and
19 distribution of assets. In the event that the Plan is not confirmed, the U.S. Trustee has authority
20 to enter an ex parte order dismissing the case.
21

22 **VII. OVERVIEW OF PLAN**

23 **A. General Summary**

24 The following is a general summary of the Plan for the Debtor, which is qualified in its
25 entirety by reference to the provisions of the related specific Plan of Reorganization. Pursuant to
26
27
28

Section 1123(a)(1), Administrative Claims and U.S. Trustee Claims are not impaired and therefore not designated as Classes. The summary of Classes, whether or not they are impaired and entitled to vote is set forth below:

06-007 Biggs Business Trust	<u>Creditor</u>	<u>Property</u>	<u>Claims</u>	<u>Payment</u>
<u>Class</u>				
Class 1a	Butte County Treasurer	APN 022-140-009-000 \$1,490,000 undivided	\$120,042.32	100% from Sale of Property
Class 1b	Butte County Treasurer	APN 022-140-010-000 \$1,490,000 undivided	\$147,225.03	100% from Sale of Property
Class 1c	Butte County Treasurer	APN 022-140-011-000 \$1,490,000 undivided	\$75,143.38	100% from Sale of Property
Class 1d	Butte County Treasurer	APN 022-100-014-000 \$1,490,000 undivided	\$13,314.83	100% from Sale of Property
Class 1e	Butte County Treasurer	APN 022-170-009-000 \$1,490,000 undivided	\$149,145.10	100% from Sale of Property
Class 1f	Butte County Treasurer	APN 022-170-065-000 \$1,490,000 undivided	\$19,896.83	100% from Sale of Property
Class 2	Priority Unsecured	N/A	N/A	100%
Class 3	General Unsecured	N/A	\$93,820	100% Paid from sale
Admin.	Professionals	Mesa fees, legal fees	\$10,000	Pay in full
US Trustee	Us Trustee fees	N/A	N/A	Pay in full

The Debtor intends to retain Mesa to manage the marketing and liquidation of the real property. Upon sale, the proceeds will be designated to pay all creditors 100% at the close of escrow, in entirety. Per the Operating Agreement, Mesa will receive a management fee equal to \$750/mo after payment of Class 1 and Class 3 claims. After the payment of all Class claims, the remaining proceeds of sale will be distributed under the Operating Agreement of Biggs

1 Business Trust to the equity holders of the Debtor pursuant to their interests and the Debtor
2 entity will terminate business operations. It is anticipated that the sale of all of Debtor's assets
3 and satisfaction of all claims will be completed within three (3) years of confirmation.

4 **B. Classes of Claims**

5 The following classes are set forth in the Plan, with the proposed treatment under the
6 Plan provisions. Specific provisions for treatment are set forth in Articles I and II of the
7 Debtor's Plan of Reorganization.
8

9 **1. Class 1 Allowed Secured Property Tax Claims secured by Debtor's Real**
10 **Property.**

11 Class 1 claims consist of claims secured by the Debtor's Property. Secured tax claims
12 include tax claims for secured property taxes as described in 11 USC §506(b) of the Bankruptcy
13 Code. The Debtor intends to keep post-petition property taxes paid on a timely basis by making
14 a lump sum payment of any unpaid taxes at the end of the calendar year in which the post
15 petition taxes were incurred. The debtor intends to market and sell the property within 36
16 months of the Effective Date. The secured claim of the Butte County Treasurer will be paid in
17 full with all applicable costs, fees, charges and interest pursuant to 11 USC Sections 506(b) and
18 511 upon the sale of the Property.
19

20 Class 1 has been divided into separate subclasses for the tax claims on each separate
21 parcel of real property. These subclasses breakdown as follows:

22 Class 1a : Real Property Tax claim held by Butte County Treasurer on parcel 022-140-
23 009. Claim is \$120,042.32.

24 Class 1b: Real Property Tax claim held by Butte County Treasurer on parcel 022-140-
25 010. Claim is \$147,225.03.
26
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28

Class 1c: Real Property Tax claim held by Butte County Treasurer on parcel 022-140-

011. Claim is \$75,143.38.

Class 1d: Real Property Tax claim held by Butte County Treasurer on parcel 022-170-

009. Claim is \$13,0314.83.

Class 1e: Real Property Tax claim held by Butte County Treasurer on parcel 022-170-

065. Claim is \$149,145.10.

Class 1f: Real Property Tax claim held by Butte County Treasurer on parcel 022-100-

014. Claim is \$19,896.83.

If after three (3) years the Property has not been sold and the proportional secured real property taxes have not been paid, this will be an event of default. A failure by the Debtor to make a payment to Butte County pursuant to the terms of the Plan shall be an event of Default. If the Debtor fails to cure an Event of Default as to tax payments within ten (10) days after service of written notice or default, Butte County may enforce the entire amount of its claim, plus all penalties and interest accrued under state law, against Debtor in accordance with applicable state laws. This class is impaired by the delay in payment.

Each Class 1 sub-class Claimant receives a vote to either accept or reject the plan.

Class 2: Priority Unsecured Claims

Class 2 Priority Unsecured Claims are claims that are referred to in Section 507 (a)(1), (4), (5), (6), and (7) of the Bankruptcy Code. The Bankruptcy Code requires each claim holder to receive cash on the effective date of the Plan equal to the allowed amount of such claim. A class of holders of such claims, however, may vote to accept different treatment.

There are no known Class 2 claims in this case.

1 **Class 3: General Unsecured Claims.**

2 General unsecured claims are not secured by property of the estate and are not entitled to
3 priority under Section 507(a) of the Bankruptcy Code. Class 3 claims consist of capital
4 investments made by the investing creditors to satisfy administrative and operating costs.
5 General unsecured claims amount to approximately \$93,820.00.

6 The insider claims also include the pre-petition management fees and costs accrued by
7 Mesa Asset Management. Mesa and the investing members that advanced costs within this
8 class are "insiders" under 11 U.S.C. 101(31), as persons in control of the Debtor entity. These
9 claims will be paid only if 100% of the general unsecured claims are paid in full and prior to
10 any distribution to the investing interest holders as a return on their investment.

11 After payment of the Class 1 claims, the general unsecured creditors will be paid
12 approximately 100% of their allowed claim. Each Class 3 claimant receives a vote to either
13 accept or reject the Plan.

14 **C. Unclassified Claims against Debtor**

15 Certain types of claims are automatically entitled to specific treatment under the Code.
16 They are not considered to be impaired and holders of such claims do not vote on the Plan.
17 They may, however, object if, in their view, their treatment under the Plan does not comply with
18 the requirements of the Code. For a detailed analysis and description of the individual
19 unclassified claims, see Articles I and II of the Debtor's Plan of Reorganization.

20 1. Administrative Expenses.

21 Administrative expenses are costs and expenses of administering the Debtor's Chapter
22 11 case which are allowed under section 507(a)(2) of the Bankruptcy Code. Administrative
23 expenses include attorney's fees incurred by the Debtor for representation in the Bankruptcy
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1 Case, as well as the claims of creditors that have provided services to the Debtor post-petition.
2 These claims include the payment of a management fee to Mesa for services provided and
3 property taxes incurred post-petition. Pursuant to the Operating Agreement, the Mesa
4 management fee is calculated at \$750/mo or \$9000/yr. Mesa's pre-petition accrued fees are an
5 unsecured claim to be paid pursuant to the Plan of Reorganization as Class 3. Mesa's post-
6 petition management fees, at the above rate of compensation are an administrative claims.
7 Administrative claims are paid pursuant to 11 U.S.C. 507(a)(2). A list of the administrative
8 claims is attached hereto as Exhibit "A".

9
10 Additional U.S. Trustee fees may be approved by the court and paid through the estate
11 prior to confirmation and through administration of the Plan. Administrative claims will be paid
12 within 10 days after the Plan Effective Date as they come due for payment or as agreed upon
13 with the Debtor from the revenue of the Debtors.

14
15 2. Trustee's Fees

16 The U.S. Trustee's office accrues fees for the administration of the Bankruptcy Case and
17 Chapter 11 Plan. 28 U.S.C. §1930(a)(6) requires that the Debtor make payment of the U.S.
18 Trustee's fees as they accrue. These fees will be paid current on the Effective Date of the Plan
19 and paid as they become due and owing.

20
21 **VIII. MODIFICATION, ALTERATION AND REVOCATION OF THE PLAN**

22 **A. Modification of the Plan.**

23 The Debtor may modify the Plan at any time before confirmation of the Plan. However,
24 the Court may require a new disclosure statement and/or re-voting on the Plan.

25 Upon request of the Debtor, the U.S. Trustee, or the holder of an allowed unsecured
26 claim, the Plan may be modified at any time after confirmation of the Plan but before completion
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1 of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on
2 claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter
3 the amount of distribution to a creditor whose claim is provided for by the Plan as is necessary to
4 account for any payment of the claim made other than under the Plan. Such modification is
5 subject to Court and U.S. Trustee approval.
6

7 **B. Revocation of the Plan**

8 The Debtor reserves the right to revoke or withdraw the Plan prior to the confirmation
9 hearing and to file subsequent Chapter 11 plans. If the Debtor revoke or withdraw the Plan, or if
10 confirmation does not occur, then (1) the Plan shall be null and void in all respects; (2) any
11 settlement or compromise embodied in the Plan shall: (a) constitute a waiver or release of any
12 Court: and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any
13 Claims by or against, the Debtor or any other entity; (b) prejudice in any manner the rights of the
14 Debtor or any other entity; or (c) constitute an admission, acknowledgement offer or undertaking
15 of any sort by the Debtor or any other entity.
16

17 **C. Severability**

18
19 If, prior to confirmation of the Plan, any term or provision of the Plan is held by the Court
20 to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such
21 term or provision to make it valid or enforceable to the maximum extent practicable, consistent
22 with the original purpose of the term or provision held to be invalid, void or unenforceable, and
23 such term or provision then will be applicable as altered or interpreted, provided that any such
24 alteration or interpretation must be in form and substance reasonably acceptable to the Debtor,
25 and, to the extent such alteration or interpretation affects the rights or treatment of holders of
26 general unsecured claims, such claim holder.
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1 **IX. EFFECTS OF CONFIRMATION AND IMPLEMENTATION OF THE PLAN**

2 **A. Reservation of Rights**

3 The Plan shall have no force or effect until the Court enters the Confirmation Order.
4 Neither the filing of the Plan, any statement or provision contained in the Disclosure Statement,
5 nor the taking of any action by the Debtor or any other entity with respect to the Plan shall be an
6 admission or waiver of any rights of (1) the Debtor with respect to the holders of claims or other
7 entities; or (2) any holder of Claims or other entity prior to the Effective Date of the Plan.
8

9 **B. Vesting of Assets in the Reorganized Debtor.**

10 After confirmation of the Plan, all property of the Debtor shall vest in the relevant
11 reorganized Debtor, free and clear of all liens, claims, charges, or other encumbrances, except
12 those enumerated in the order approving the Motion to Value and the confirmation order. The
13 reorganized Debtor may operate its business and may use, acquire, dispose of property and
14 compromise or settle any claims without supervision or approval of the Bankruptcy Court and
15 free of any restrictions of the Bankruptcy Code or Rules, other than those restrictions expressly
16 imposed by the Plan and the confirmation order. Without limiting the foregoing, the Debtor
17 may pay the liabilities that are incurred after confirmation for professional fees, disbursement,
18 expenses or related support services without application to the Bankruptcy Court.
19
20

21 **C. Discharge of the Debtor.**

22 The Debtor is a corporate entity and as such does not receive a discharge from all debts
23 that arose prior to confirmation of the plan pursuant to §1141(d)(3)(C). However, the
24 confirmed plan of reorganization is binding upon any creditor, whether or not such creditor has
25 accepted the plan, pursuant to §1141(a).
26

27 **D. Plan Payments**

1 The Debtor will implement its Plan by having MESA serve as the Plan Agent for
2 payment of Claims pursuant to the Plan. No compensation will be paid to MESA for serving as
3 Plan Agent beyond the management fee; however, it will be entitled to reimbursement of
4 expenses and compensation for any professionals who assist in the performance of the duties of
5 the Plan Agent.

6
7 The Plan Agent is authorized, without limitation, to:

- 8 (a) Manage, protect and preserve the Assets, subject to the terms and limitations set
9 forth in the Plan.
- 10 (b) Release, sell, transfer, convey or assign any right, title, interest in or about the Assets
11 or any portion thereof with the approval of the Bankruptcy Court after hearing and
12 notice, unless the value of the Asset is less than \$25,000, in which case Bankruptcy
13 Court approval is not required.
- 14 (c) Pay and discharge any costs, expenses, professional fees or obligations deemed
15 necessary to preserve or enhance the value of the Assets.
- 16 (d) Open and maintain bank accounts and deposit funds or draw checks and make
17 distributions in accordance with the Plan.
- 18 (e) Engage and retain attorneys, accountants, engineers, agents, tax specialists, financial
19 advisers, appraisers, investment bankers, or other professionals and clerical
20 assistance as may, in the discretion of the Plan Agent, be deemed necessary.
- 21 (f) Execute any documents on behalf of the Estate necessary to further the goals and
22 objectives and accomplish the purposes of the Plan.
- 23 (g) Pay obligations or expenses of or relating to the Assets and that the Plan Agent
24 reasonably deems to be in the best interest of Creditors or necessary to effectuate the
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1 Plan.

2 (h) Analyze, evaluate, pursue and settle and compromise any and all Litigation Claims
3 and other causes of action on behalf of the Estate, objections to Claims, and any
4 appeals thereof, and otherwise sue and be sued as is necessary to fulfill the
5 obligations and duties under the Plan.

6 (i) Enforce, waive, or release rights, privileges or immunities relating to the Assets.

7 (j) Initiate, prosecute, settle and resolve any and all litigation claims and other causes of
8 action on behalf of the Estate, objections to Claims, and any appeals thereof with the
9 approval of the Bankruptcy Court after hearing on notice, unless the amount in
10 controversy is less than \$25,000, in which case approval of the Bankruptcy Court is
11 not required.

12 (k) Liquidate and convert all or any portion of the Assets to Cash.

13 (l) Establish and maintain reserves required by the Plan.

14 (m) Make Distribution in accordance with the terms of the Plan

15 (n) Act as is necessary with regard to all matters which the jurisdiction of the
16 Bankruptcy Court is reserved under the Plan.

17 (o) As soon as is practicable after the Final Distribution, oversee the dissolution and
18 winding up of the Estate in accordance with applicable law and seek a Final Order
19 from the Bankruptcy Court closing the Case and entry of a Final Decree.

20 (p) Without limiting any of the foregoing, deal with the Assets or any part or parts
21 thereof in all other ways as would be lawful and do any and all things necessary to
22 further the goals and objectives and accomplish the purposes of the Plan.

23 The Plan Agent will make the plan payments from the revenue that is generated from the
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1 sale of Debtor assets in whole or in part. The real property value is estimated at \$1,490,000.
2 The sales costs and other expenses of sale will be paid from the proceeds of sale at the time of
3 closing. The expected net revenue from the sale of the Property is anticipated to be sufficient to
4 pay all allowed claims 100%.

5 Debtor has approximately \$2,123 in cash reserves. This reserve is accumulated from the
6 ongoing business revenue and will be used to pay for administrative expenses upon
7 confirmation. The plan contemplates to use of the reserve funds to satisfy the initial costs of the
8 Plan at the Effective Date and to replenish this reserve from the monthly income.
9

10 Plan payments will be made on all allowed claims under the Plan through the Debtor-in-
11 Possession account. Under supervision of the U.S. Trustee, the Debtor will deposit all surplus
12 income into this account after payment of all operational expenses and allowed claims.
13 Payments pursuant to the Plan will be made pursuant to the terms of the Plan until such claims
14 are paid.
15

16 Except as otherwise agreed or set forth in the Plan, payments upon disputed claims will
17 be made after the claim has become an Allowed Claim and a final non-appealable order of the
18 Bankruptcy Court has been entered. Notwithstanding anything in the Plan to the contrary, no
19 partial payments and no partial distributions shall be made with respect to a disputed claim until
20 all such disputes in connection with such disputed claim have been resolved by settlement
21 among the parties or by entry of a final order of the Court. Any post-petitions payments made
22 pursuant to an order of the Court will be credited to the satisfaction of the Allowed Claim under
23 the terms of the Plan.
24
25

26 **D. Objections to Claims**

27 After the Effective Date, objections to Claims shall be made and objections to Claims
28

1 made previous thereto shall be pursued by the Plan Agent or any other party properly entitled to
2 do so after notice to the Plan Agent and the Reorganized Debtor, with approval by the
3 Bankruptcy Court. Any objections to the Claims made after the Effective Date shall be filed
4 and served not later than 180 days after the Effective Date; provided, however, that such period
5 may be extended by order of the Bankruptcy court for good cause shown. In order to facilitate
6 the Payment to holders of Allowed Claims and if and to the extent there are Disputed Claims in
7 any Class, the Plan Agent shall set aside in a separate designated reserve account the payments
8 applicable to such Disputed claims as if such Disputed Claims were Allowed Claims, pending
9 allowance of the claim or disallowance of the Disputed Claims.
10

11 **E. Holding of Undeliverable Distributions and Failure to Claim**

12 All Distributions are to be made to the holder of each Allowed Claim by the Plan Agent
13 at the address listed on the Schedules or proof of claim filed by such holder at the time of
14 Distribution. If any holders Distribution is returned as undeliverable, no further Distributions to
15 such holder shall be made unless and until the Debtor is notified of the holder's current address,
16 at which time all required Distributions shall be made to the holder. Undeliverable
17 Distributions shall be held by the Debtor until such Distributions are claimed. All Claims for
18 undeliverable Distributions must be made within ninety (90) days following a Distribution.
19 After such date, all unclaimed Distributions shall be allocated pro rata to the members of the
20 Class related to such Distribution notwithstanding any federal or state escheat laws to the
21 contrary.
22
23
24

25 **F. Fractional Amounts**

26 Payment of fractions of dollars will not be made. Whenever any payment of a fraction
27 of a dollar under the Plan would otherwise be called for, the actual payment made will reflect a
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1 rounding of such fraction to the nearest dollar (up or down) with half dollars being rounded
2 down.

3 **G. Binding Effect**

4 The Plan shall be binding on, and shall inure to the benefit of, the Debtor and the holders
5 of all Claims and their respective successors and assigns.

6
7 **H. Exculpation**

8 The Debtor, the Plan Agent, and their respective agents and attorney's shall not be liable
9 for any actions or omissions taken or not taken in connection with or arising out of the
10 administration of the Chapter 11 Case, pursuit of confirmation of the Plan, the consummation of
11 the Plan, or the administration of the Plan or the property to be distributed under the Plan,
12 except for gross negligence or willful misconduct as determined by Final Order of the
13 Bankruptcy Court.
14

15 **I. Governing Law**

16 Except to the extent that the Bankruptcy Code or other federal law is applicable, the
17 rights, duties and obligations of the Debtor, all Creditors and any other Person arising under the
18 Plan shall be governed by, and construed and enforced in accordance with, the internal laws of
19 the State of Nevada, without giving effect to Nevada's choice of law provisions.
20

21 **J. Computation of Time**

22 In computing any period of time prescribed or allowed by the Plan, the day of the act,
23 event, or default from which the designated period of time begins to run shall not be included.
24 The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal
25 holiday, or when the act to be done is filing of a paper in the Bankruptcy court, a day on which
26 weather or other conditions have made the clerk's office inaccessible, in which event the period
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1 runs until the next day which is not one of the aforementioned days.

2 **K. Final Decree**

3 After the Estate is fully administered, the Debtor shall file an application for a Final
4 Decree and shall serve the application on the U.S. Trustee, together with a proposed Final
5 Decree. The application will be heard by the U.S. Bankruptcy Court with regard to closing the
6 case.
7

8 **X. TAX CONSEQUENCES OF THE PLAN**

9 THE FOLLOWING SUMMARY DOES NOT CONSTITUTE TAX ADVICE TO ANY
10 PERSON. NO REPRESENTATIONS REGARDING THE EFFECT OF IMPLEMENTATION
11 OF THE PLAN ON INDIVIDUAL CREDITORS ARE MADE HEREIN OR OTHERWISE.
12 ALL CREDITORS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING
13 THE TAX CONSEQUENCES OF THE PLAN TO THEM, TO THE DEBTOR AND TO THE
14 BANKRUPTCY ESTATE.
15

16 THE DEBTOR, CREDITORS AND ANY PERSON, ENTITY, TRUST OR
17 ORGANIZATION AFFILIATED WITH THE FOREGOING (“THE PARTIES”) ARE
18 STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE
19 FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM WHICH
20 MAY RESULT FROM THE PROPOSED REORGANIZATION. THIS DISCLOSURE
21 STATEMENT SHALL NOT IN ANY WAY BE CONSTRUED AS MAKING ANY
22 REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF
23 CONFIRMATION AND CONSUMMATION OF THE PLAN TO THE PARTIES. THIS
24 DISCLOSURE STATEMENT IS GENERAL IN NATURE AND IS MERELY A SUMMARY
25 DISCUSSION OF POTENTIAL TAX CONSEQUENCES TO THE PARTIES AND IS
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1 BASED UPON THE INTERNAL REVENUE CODE AND PERTINENT REGULATIONS
2 RULINGS, COURT DECISIONS, AND TREASURY DECISIONS.

3 Under the Internal Revenue Code of 1986, as amended (the “IRC”), there may be federal
4 income tax consequences to the Parties as a result of confirmation and consummation of the
5 Plan as described in the Disclosure Statement.

6
7 The federal income tax consequences to Creditors and their affiliates arising from the
8 Plan will vary depending upon, among other things, the type of consideration received by the
9 Creditor in exchange for its Claim, whether the Creditor reports income using a cash or accrual
10 method, whether the Creditor has taken a “bad debt” deduction with respect to its Claim,
11 whether the Creditor receives consideration in more than one tax year of the Creditor, whether
12 the Creditor is a resident of the United States, and whether the Creditor’s claim is classified as a
13 “security” or “debt” for federal income tax purposes. If a Creditor’s claim is characterized as a
14 loss from a security, then the loss will be treated as a sale or exchange of a capital asset under
15 IRC §165, and whether it is a long term or short term capital loss will depend on the Creditor’s
16 holding period. If a Creditor’s claim is characterized as a loss resulting from a debt, then the
17 extent of the deduction will depend on whether the debt is deemed wholly worthless or partially
18 worthless, and whether the debt is construed to be a business or non-business debt as
19 determined under IRC §166.
20
21

22 **XI. LIQUIDATION ANALYSIS**

23 **A. Alternatives to the Plan**

24 The Debtor believes that the Plan, as described herein, enables the Creditors to receive
25 payment of their Allowed Claims as quickly as possible and for the greatest return as required
26 under the Bankruptcy Code. In addition, the Debtor believes that the Plan provides this
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1 payment more quickly than only other alternative. In the Debtor's view, the only alternative to
2 the Plan is a forced liquidation of the Debtor's Property in a chapter 7 case, payment through the
3 eminent domain action or through a tax sale. Either of these sale methods would greatly reduce
4 the amount of return to the Debtor's unsecured creditors.

5 In general, to determine what holders of Allowed claims in each Class would receive if
6 Debtor were liquidated, the Bankruptcy Court must determine what funds would be generated
7 from liquidation of the Debtor's assets. Such liquidation funds would be reduced by the costs
8 and expenses of the liquidation and by such additional Administrative Claims and the use of the
9 chapter 7 for the purpose of liquidation.
10

11 The funds recovered from liquidation would be further reduced by the commission
12 payable to the chapter 7 trustee and the trustee's attorney's fees, as well as the costs of the
13 chapter 11 estate (such as the compensation for chapter 11 professionals). In a chapter 7 case,
14 the trustee would be entitled to seek a sliding scale commission based upon the funds
15 distributed to the Creditors. In contrast, the trustee's commission is not paid in a chapter 11
16 case, and the Plan Administer under the Plan will not be paid a commission or any
17 compensation for his services.
18
19

20 **B. Liquidation**

21 Pursuant to Section 1129(a)(7), for the Plan to be confirmed it must provide that
22 creditors will receive at least as much under the Plan as she would receive in a liquidation of the
23 Debtor under chapter 7 (the "Best Interests Test"). The Best Interests Test with respect to each
24 impaired class requires that each holder of a claim of such class either (a) accepts the Plan, or
25 (b) receives or retains under the Plan, property of value, as of the Effective Date, that is not less
26 than the value such holder would receive or retain if the Debtor were liquidated under Chapter
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1 7. The Court will determine whether the value received under the Plan by the holders of claims
2 in each impaired class of creditors is equal to or exceeds the value that would be allocated to
3 such holders in liquidation under Chapter 7 of the Bankruptcy Code. The Debtor believes that
4 the Plan meets the Best Interests Test and provides value that is not less than the value which
5 would be recovered by each holder in a Chapter 7 proceeding.
6

7 In the instant case, the Debtor only owns real property. Therefore, the impaired classes
8 would recover only the net present value of the estate property after sale by the taxing authority.
9 The Plan provides for an extended time for sale to result in the payment of equal or greater
10 amounts than the present liquidation value to each of these classes.
11

12 If the Debtor were to liquidate the Property today, the sale would most likely be for less
13 than the amount of the Class 1 claim and generate no income for the general unsecured
14 creditors. All anticipated proceeds would apply to secured and priority tax claims prior to
15 payment of any general unsecured claims or investor claims. Liquidation is anticipated to
16 amount to less than required to satisfy the priority tax debt, leaving nothing for unsecured
17 creditors. Therefore, the proposed payment plan would be more beneficial to the general
18 unsecured creditors.
19

20 **C. Assumptions for Liquidation Analysis**

21 The following assumptions were made in preparing the Liquidation Analysis:

- 22 1. The Liquidation Analysis satisfies Section 1129(a)(7)(A)(ii) to determine
23 whether the Plan is in the best interests of the Debtor's estate and creditors.
24
- 25 2. The Liquidation Analysis is based upon a number of estimates and assumptions
26 that, although considered reasonable by the Debtor are subject to economic and
27 business contingencies beyond the Debtor's control. Accordingly, no assurances
28

1 can be made. The Liquidation Analysis is subject to change. Nothing contained
2 herein shall be used as an admission against the Debtor or any other Person.

3 3. The Liquidation Analysis utilizes figures estimated by the Debtor as a basis for
4 determining liquidation values. It does not include any proceeds from the sale of
5 fully encumbered Assets. Additionally, liquidation values have been estimated
6 by the Debtor for certain Assets as more particularly set forth in Exhibit 2.

7
8 4. The Chapter 11 distribution to unsecured creditors ranges is anticipated to be
9 100% for payment of all Unsecured Claims. In contrast, the Chapter 7
10 distribution is anticipated to be \$0% for Unsecured Creditors. See Exhibit 2.

11 **XII. CONCLUSION**

12
13 The Debtor has analyzed different scenarios and believes that confirmation of the Plan
14 provides for a recovery for Creditors that is greater than other likely alternatives, and
15 particularly a liquidation alternative. In addition, alternatives other than Confirmation of the
16 Plan could result in extensive delays and increases in administrative expenses resulting in
17 potentially smaller distributions to the holders of Claims and equity interests. Accordingly, the
18 Debtor recommends confirmation of the Plan and urges all holders of Allowed Claims to vote to
19 accept the Plan and to indicate acceptance by returning their Ballots to be received no later than
20 the voting deadline.
21

22
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24 *(Remainder of Page Left Intentionally Blank)*
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Dated this 23rd day of May, 2016.

/s/ Peter J. Becker
Peter J. Becker, Manager of Mesa Asset Management,
Trustee of 06-007 Biggs Business Trust

Submitted by:

LAW OFFICE OF TIMOTHY P. THOMAS, LLC

/s/ Timothy P. Thomas, Esq.
Timothy P. Thomas, Esq.
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