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10 **UNITED STATES BANKRUPTCY COURT**

11 **DISTRICT OF NEVADA**

12 * * *

13 IN RE:

14 KITTUSAMY, LLP,

15 Debtor.

Case No. BK-S-15-13868-ABL

Chapter 11

17 **DISCLOSURE STATEMENT TO ACCOMPANY**
 18 **DEBTOR'S FIFTH AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

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I. INTRODUCTION

On July 2, 2015 (the “**Petition Date**”), an involuntary petition (the “**Involuntary Petition**”) for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “**Code**” or “**Bankruptcy Code**”)¹ was filed against Kittusamy, LLP (the “**Debtor**” or “**Kittusamy**” or the “**Plan Proponent**”) by petition Creditors Moonshell, LLC (“**Moonshell**”), Xspectra, Inc. (“**Xspectra**”), Seven Hills Equipment, LLC (“**SH Equipment**”), and Venus Group, LLC (“**Venus**”) (Moonshell, Xspectra, SH Equipment, and Venue group are collectively referenced herein as the “**Petition Creditors**”). Rather than contest the Involuntary Petition, Kittusamy consented to the entry of an order for relief under Chapter 11 of the Bankruptcy Code on July 28, 2015. The United States Bankruptcy Court for the District of Nevada (the “**Bankruptcy Court**”) later entered an order for relief (the “**Relief Order**”) on August 10, 2015. Since the entry of the Relief Order, the Debtor has continued to operate its businesses and manage its affairs as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

The Bankruptcy Code allows a debtor, and under some circumstances, Creditors and other parties in interest, to propose a plan of reorganization. The Debtor has prepared this Disclosure Statement (the “**Disclosure Statement**”) to be used in connection with the solicitation of votes on Debtor’s proposed Plan of Reorganization (the “**Plan**”) for the treatment of Claims of Creditors of Debtor and the persons holding equity interests in Debtor.² The various exhibits to this Disclosure Statement included in the Appendix are incorporated into and are a part of this Disclosure Statement. The Plan is included as **Exhibit A** in the Appendix. After having reviewed the Disclosure Statement and the Plan, any interested party requiring further information may contact:

KOLESAR & LEATHAM
Attn: Bart K. Larsen, Esq.
400 S. Rampart Blvd., Suite 400
Las Vegas, Nevada 89145
Telephone: (702) 362-7800

¹ Unless otherwise indicated herein, all references to Chapters or Sections refer to title 11 of the U.S. Code (the “Bankruptcy Code”).

² Capitalized terms not otherwise defined herein shall have the same meanings as ascribed to such terms in the Plan.

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Interested parties may also obtain further information from the U.S. Bankruptcy Court for the District of Nevada at its PACER website: <http://www.nvb.uscourts.gov>. Each Holder of a Claim entitled to vote on the Plan should read this Disclosure Statement, the Exhibits hereto including the Plan, and the instructions accompanying the Ballots in their entirety before voting on the Plan. These documents contain important information concerning the Classification of Claims and Equity Interests for voting purposes and the tabulation of votes.

A. The Purpose of this Document

Generally, the objective of a Chapter 11 bankruptcy case is the confirmation (i.e., approval by the Bankruptcy Court) of a plan of reorganization for the debtor. A plan of reorganization describes the means for satisfying the Claims against, and equity interests in, a debtor. After a plan has been filed, the holders of such Claims and equity interests that are Impaired (as defined in § 1124 of the Bankruptcy Code) are permitted to vote to accept or reject the plan. Before a debtor or other plan proponent can solicit acceptances of a plan, § 1125 of the Bankruptcy Code requires that the debtor or other plan proponent prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable those parties entitled to vote on the plan to make an informed judgment about the plan and whether they should accept or reject the plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

- (1) **WHO CAN VOTE OR OBJECT;**
- (2) **WHAT THE TREATMENT OF YOUR CLAIM IS, (i.e., what your Claim will receive if the Plan is confirmed) AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION;**
- (3) **THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;**
- (4) **WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN;**
- (5) **WHAT IS THE EFFECT OF CONFIRMATION; AND**

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1 **(6) WHETHER THIS PLAN IS FEASIBLE.**

2 This Disclosure Statement summarizes what is in the enclosed Plan and tells you certain
3 information relating to the Plan and the process the Court will follow in determining whether or
4 not to confirm the Plan. This Disclosure Statement will be used to solicit acceptances of the Plan
5 only after the Bankruptcy Court has determined that this Disclosure Statement provides
6 information in accordance with Section 1125 and has entered an order approving this Disclosure
7 Statement. Approval of this Disclosure Statement is not an opinion ruling on the merits of the
8 Plan, and it does not mean that the Plan has been or will be approved by the Bankruptcy Court.

9 After the appropriate persons have voted on whether to accept or reject the Plan, there will
10 be a hearing on the Plan to determine whether it should be confirmed. At such Confirmation
11 Hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements
12 of the Bankruptcy Code, including but not necessarily limited to the requirements set forth in
13 Section 1129. The Bankruptcy Court will also receive and consider a Ballot Summary that will
14 present a tally of the votes of Classes accepting or rejecting the Plan case by those entitled to vote.
15 Once confirmed, the Plan will be treated essentially as a contract binding on all Creditors, holders
16 of Equity Interests, and other parties-in-interest in the Bankruptcy Case.

17 This Disclosure Statement cannot tell you everything about your rights. You should
18 consider consulting your own lawyer to obtain more specific advice on how this Plan will affect
19 you and what is the best course of action for you. Be sure to read the Plan as well as the
20 Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure
21 Statement, the Plan provisions will govern.

22 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

23 The Bankruptcy Court has not yet confirmed the Plan described in this Disclosure
24 Statement. In other words, the terms of the Plan are not yet binding on anyone. However, if the
25 court later confirms the Plan, then the plan will be binding on all Creditors and interest holders in
26 this Chapter 11 Case.

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1. Time and Place of the Confirmation Hearing

Upon the approval of the Disclosure Statement, the Bankruptcy Court will schedule and hold a hearing to determine whether or not to confirm the Plan (the “Confirmation Hearing”). The Confirmation Hearing will be held in Courtroom 1 of the Foley Federal Building located at 300 S. Las Vegas Blvd., Las Vegas, NV 89101 on _____ at the hour of _____ (Pacific). Enclosed herewith is a separate notice of hearing of the Confirmation Hearing following the Bankruptcy Court’s approval of this Disclosure Statement.

2. Deadline to Vote For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return the ballot in the enclosed envelope to:

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All votes to accept or reject the Plan must be received by 5:00 p.m. (Pacific Time) on _____. Any failure to follow the voting instructions on the ballots may disqualify your ballot and your vote.

3. Deadline for Objecting to the Confirmation of the Plan

Objections, if any, to the confirmation of the Plan must be filed, together with proof of service, with the Bankruptcy Court and served by no later than _____. Replies to such objections and proposed modifications must be served by no later than _____.

4. Contact Person for More Information Regarding the Plan

Any interested party desiring further information about the Plan should contact Debtor's Counsel, Bart K. Larsen, Esq. at the address noted above.

C. Disclaimer

The financial data relied upon in formulating the Plan is based on the Debtor’s financial statements and other periodic reports, together with the Debtor’s valuation of its personal property, including the Debtor’s accounts receivable, which are the Debtor’s primary assets. The

1 information contained in this Disclosure Statement is provided by the Debtor, which represents
2 that everything stated in the Disclosure Statement is true to the best of its knowledge, information
3 and belief. The Court has yet to determine whether or not the Plan is confirmable and makes no
4 recommendation as to whether or not you should support or oppose the Plan.

5 II. BACKGROUND

6 A. History of the Debtor's Businesses and Background Information

7 The Debtor was organized as a limited liability partnership under the laws of the State of
8 Nevada in 2007 by Prem K. Kittusamy, M.D. ("**Prem**") and his wife Dr. Bhuvanewari
9 Kittusamy, M.D. ("**Bhuvana**") (Prem and Bhuvana are collectively referenced herein as the
10 "**Kittusamys**"), who each operate their respective medical practices through the Debtor. The
11 Debtor does business at several locations in Southern Nevada under the fictitious firm names Las
12 Vegas Radiology and Las Vegas Cardiology. Bhuvana is a medical doctor and is board certified
13 in diagnostic radiology. She is generally responsible for the operation of Las Vegas Radiology,
14 which provides a broad range of medical diagnostic services that include Mammography, x-rays,
15 fluoroscopy, ultrasound, CT scan, PET-CT scan, SPECT-CT scan, and MRI imaging among
16 others.

17 Prem is also a medical doctor and is board certified in internal medicine and
18 cardiovascular disease. Prem started Las Vegas Cardiology in 2009 after leaving Nevada Heart &
19 Vascular Center, where he was a senior partner, to open his own cardiology practice. Las Vegas
20 Cardiology provides various medical services, which include echocardiography, vascular
21 ultrasound, stress testing, arrhythmia monitoring, coronary CT angiography, and nuclear imaging.
22 Las Vegas Cardiology also performs a wide range of surgical procedures that include coronary
23 angioplasty, coronary stent placement, cardiac ablation, defibrillator implantation, peripheral
24 angioplasty, peripheral angiography, and pacemaker implantation.

25 B. Events Leading to Bankruptcy Filing

26 After starting business in 2008, the Debtor aggressively expanded to open new office
27 locations throughout the Las Vegas area. By early 2015, Las Vegas Radiology was operating five
28 (5) separate radiology centers. The opening of these radiology centers required significant capital

1 expenditures by the Debtor to purchase medical imaging equipment, such as MRI machines,
2 ultrasound machines, and CT scanners. It was also necessary for the Debtor to fund construction
3 of extensive tenant improvement projects necessary to accommodate the use of such equipment in
4 its office locations. While the Kittusamys have personally paid a significant portion of the costs
5 associated with the expansion of the Debtor's businesses, the majority of the Debtor's capital
6 expenditures have been financed through a variety of different lenders.

7 Through this aggressive growth, the Debtor has successfully increased its business volume
8 each year from 2008 through 2015. However, as is typical for professional medical services
9 providers, the Debtor is compensated primarily through payments from Medicare/Medicaid and
10 private insurance providers. Over the past five years, Medicare/Medicaid has significantly
11 reduced reimbursement rates for many of the medical services the Debtor provides. Moreover,
12 these reductions in reimbursement rates by Medicare/Medicaid have resulted in private insurance
13 providers reducing their payment rates to match those offered by Medicare/Medicaid.

14 In early 2015, a dispute arose between the Debtor and the Petitioning Creditors and
15 various entities affiliated with the Petitioning Creditors, several of which had extended financing
16 to the Debtor in connection with the opening of the Debtor's newest radiology center in the Seven
17 Hills Business Plaza in Henderson, Nevada in 2013. As a result of this dispute, the Debtor closed
18 its Seven Hills radiology center in May 2015 and ceased its payments to the Petitioning Creditors
19 and their affiliates. The Petitioning Creditors filed the Involuntary Petition approximately two
20 months later on July 2, 2015.

21 **C. Principals/Affiliates of Debtor's Business**

22 Prem and Bhuvana Kittusamy are the only principals of the Debtor. Prem owns 49% of
23 the Equity Interests in the Debtor, which he has held indirectly through Prem Kumar Kittusamy,
24 M.D., P.C. (the "**Prem Kittusamy PC**"). Bhuvana owns 51% of the Equity Interests of the
25 Debtor, which she has held indirectly through B.P. Kittusamy, M.D., Ltd. (the "**BP Kittusamy**
26 **PC**"). Under the Plan, Prem and Bhuvana Kittusamy will receive each own a New Equity Interest
27 in the Reorganized Debtor equal in percentage amount to the Equity Interest they each currently
28 hold in the Debtor through the Prem Kittusamy PC and the BP Kittusamy PC. The New Equity

1 Interests will be held by Prem and Bhuvana Kittusamy individually, not through the Prem
2 Kittusamy PC and the BP Kittusamy PC.

3 **D. Management of the Debtor**

4 Bhuvana Kittusamy is responsible for the day-to-day management and operation of Las
5 Vegas Radiology. Bhuvana’s management responsibilities include daily supervision of the front
6 desk and scheduling staff; daily supervision of the technologists that perform MRIs, X-rays, CAT
7 scans, ultrasounds, and other diagnostic procedures; and daily supervision of other radiologists
8 employed by the Debtor. In addition to her management responsibilities, Bhuvana reads 250 to
9 300 radiological studies each week, which is typically more than any other full-time radiologist
10 employed by the Debtor. Bhuvana also devotes substantial time and effort to marketing Las
11 Vegas Radiology to other doctors and professionals that refer patients to Las Vegas Radiology.

12 Prem Kittusamy is responsible for the day-to-day management and operation of Las Vegas
13 Cardiology and also assists Bhuvana in managing Las Vegas Radiology. Prem’s management
14 responsibilities include the daily supervision of the staff of Las Vegas Cardiology as well as the
15 daily supervision of the billing, accounting, IT, benefits authorization, and medical records
16 personal for both Las Vegas Radiology and Las Vegas Cardiology. In addition to his
17 management responsibilities, Prem also sees patients and performs interventional and
18 cardiovascular procedures on a daily basis. He is also on-call for Las Vegas Cardiology on most
19 nights and weekends, which requires that he often travel to various hospitals to treat patients with
20 little or no advance notice.

21 The Debtor does not anticipate any significant change to its management structure
22 following the confirmation of the Plan by the Bankruptcy Court.

23 **E. Events During the Bankruptcy Proceedings**

24 **1. First Day Motions and Related Relief**

25 After learning of the filing of the Involuntary Petition, the Debtor negotiated agreements
26 with two of its secured Creditors, Wells Fargo Bank, N.A. (“**Wells Fargo**”) and Meadows Bank
27 (“**Meadows**”) to Allow the Debtor to continue using cash, accounts receivable, and other assets in
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1 which Wells Fargo and Meadows hold security interests to pay ordinary-course operating
2 expenses.

3 Shortly after consenting to the filing of the Involuntary Petition, the Debtor filed various
4 motions (collectively, the “**First Day Motions**”) with the Bankruptcy Court, seeking to, among
5 other things, (i) minimize interruptions to the Debtor’s business, (ii) ease the strain on the
6 Debtor’s relationships with certain essential constituents, such as utility providers, (iii) obtain
7 court approval of the Debtor’s cash collateral agreements with Wells Fargo and Meadows, and
8 (iv) Allow the Debtor to continue paying the wages, salary, and other benefits of its employees in
9 the ordinary course of business. The Bankruptcy Court subsequently entered orders granting
10 Debtor’s First Day Motions.

11 **2. Procedural Matters**

12 On August 10, 2015, the Bankruptcy Court entered the Relief Order and ordered the
13 Debtor to file its bankruptcy schedules, list of 20 largest unsecured Creditors, statement of
14 financial affairs, attorney disclosure statement, and list of equity security holders no later than
15 August 24, 2015. The Debtor filed each of the necessary documents on or before August 24,
16 2015 as required. The Debtor subsequently filed amended bankruptcy scheduled and an amended
17 statement of financial affairs on September 24, 2015. The Debtor attended the 341 Meeting of
18 Creditors on September 18, 2015. The 341 Meeting of Creditors was concluded on February 25,
19 2016. The Debtor has filed all necessary monthly operating reports.

20 **3. Employment of Kolesar & Leatham as the Debtor’s Counsel**

21 To assist the Debtor in carrying out its duties as debtor-in-possession and to represent its
22 interests in the Chapter 11 Case, the Bankruptcy Court entered an order approving the Debtor’s
23 employment of Kolesar & Leatham as the Debtor’s bankruptcy counsel on October 7, 2015 [ECF
24 No. 189].

25 **4. Operation of the Debtor’s Business During the Chapter 11 Case**

26 During the pendency of this Chapter 11 Case, the Debtor has continued to operate its
27 business as a debtor-in-possession under the Bankruptcy Code. However, the Debtor’s good faith
28 efforts to continue operating as usual have been substantially hindered by, among other things,

1 continuing financial difficulties, the added stress resulting from the filing of the Involuntary
2 Petition, and the extended length of time it has taken to resolve various disputes related to this
3 Chapter 11 Case. To reduce operating expenses after the Petition Date, the Debtor closed various
4 office locations, including two additional radiology centers. The Debtor has also substantially
5 reduced the number of physicians and staff it employs.

6 **5. Establishment of the Claims Bar Date**

7 The Bankruptcy Court has established December 16, 2015 as the last day for the filing of
8 proofs of Claim for non-governmental entities (the “**Claims Bar Date**”). Various proofs of Claim
9 have already been filed. Except to the extent that a Claim has already been Allowed pursuant to a
10 final non-appealable order, the Debtor reserves the right to object to all Creditors’ Claims.
11 Therefore, even if your Claim is Allowed for voting purposes, you may not be entitled to a
12 distribution if an objection to your Claim is later upheld. The procedures for resolving disputed
13 Claims are set forth in Article VIII of the Plan.

14 **6. Recovery of Preferential, Avoidable, or Fraudulent Transfers**

15 At this time, Debtor does not intend to pursue preference, fraudulent conveyance, or other
16 avoidance actions. The Debtor does not believe any significant transfers occurred, other than to its
17 secured Creditors, during the two (2) year period leading up to the filing of this case.

18 The Debtor reserves its right, however, to perform and complete an investigation with
19 regard to prepetition transactions. Although it does not believe significant transfers occurred,
20 Creditors should be aware that if you received a payment or other transfer within ninety (90) days
21 of the bankruptcy, or other transfer avoidable under the Bankruptcy Code, the Debtor may seek to
22 avoid such transfer.

23 **III. SUMMARY OF THE PLAN OF REORGANIZATION**

24 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.
25 Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its
26 Creditors, and its interest holders. Besides permitting the rehabilitation of a debtor, another goal
27 of Chapter 11 is to promote equality of treatment for similarly-situated Creditors and similarly-
28 situated interest holders with respect to the distribution of a debtor’s assets.

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1 The commencement of a Chapter 11 case creates an Estate that is comprised of all of the
2 legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that
3 the debtor may continue to operate its business and remain in possession of its property as a
4 debtor-in-possession. The consummation of a plan of reorganization is the principal objective of
5 a Chapter 11 case. A plan of reorganization sets forth the means for satisfying Claims against,
6 and interests in, a debtor. Confirmation of a plan of reorganization by the bankruptcy court
7 makes the plan binding upon the debtor, any issuer of securities under the plan, any person
8 acquiring property under the plan, and any Creditor of, or equity holder in, the debtor, regardless
9 of whether such Creditor or equity holder (i) is Impaired under, or has accepted, the plan or (ii)
10 receives or retains any property under the plan. Subject to certain limited exceptions and other
11 than as provided in the plan itself or the bankruptcy court's confirmation order, the confirmation
12 order discharges the debtor from any debt that arose prior to the date of confirmation of the plan
13 and substitutes therefore the obligations specified under the confirmed plan.

14 Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify
15 the Claims of a debtor's Creditors and equity interest holders. In compliance therewith, the Plan
16 divides Claims and equity interests into various Classes and sets forth the treatment for each
17 Class. The Debtor is required under Section 1122 of the Bankruptcy Code to Classify Claims and
18 equity interests into Classes that contain Claims and equity interests that are substantially similar
19 to the other Claims and equity interests in such respective Classes. The Debtor believes that the
20 Plan has Classified all Claims and equity interests in compliance with the provisions of Section
21 1122 of the Bankruptcy Code, but it is possible that a holder of a Claims or equity interests will
22 challenge the Plan's Classifications and that the Bankruptcy Court will find that different
23 Classifications are required in order for the Plan to be confirmed. In such event, the Debtor
24 intends, to the extent permitted by the Bankruptcy Court, to make reasonable modifications of the
25 Classifications under the Plan to permit confirmation and to use the Plan acceptances received in
26 this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of
27 which the accepting holders are ultimately deemed members. Any such reclassification could
28 adversely affect the Class in which such holder was initially a member, or any other Class, by

1 changing the composition of such Class and the vote required of that Class for approval of the
2 Plan.

3 The Debtor (and its respective Affiliates, agents, directors, officers, employees, advisors
4 and attorneys) have, and upon confirmation of the Plan will be deemed to have, participated in
5 good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard
6 to the distributions of securities under the Plan, and therefore are not, and on account of such
7 distributions will not be, liable at any time for the violation of any applicable law, rule or
8 regulation governing the solicitation of acceptances or rejections of the Plan or such distributions
9 made pursuant to the Plan. Other than as specifically provided in the Plan, the treatment under
10 the Plan of each Claim and interest will be in full satisfaction, settlement, release and discharge of
11 all Claims or interests.

12 **A. What Creditors and Interest Holders Will Receive under the Plan**

13 As required by the Bankruptcy Code, the Plan places Claims in separate Classes and
14 describes the treatment each Class will receive. The Plan also states whether each Class of Claims
15 is Impaired or Unimpaired and whether each Class of Claims is entitled to vote on the Plan. If the
16 Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

17 **B. Unclassified Claims**

18 Pursuant to Section 1123(a)(1) of the Bankruptcy Code, certain Claims arising after the
19 Petition Date are not designated as Classes under the Plan. Such unclassified Claims include
20 Administrative Claims, Priority Tax Claims, and Gap Claims arising pursuant to Section 502(f) of
21 the Bankruptcy Code. The holders of such unclassified Claims are not entitled to vote on the
22 Plan.

23 **1. Administrative Claims**

24 The Debtor estimates that unpaid Administrative Claims will exist as of the Effective Date
25 in the following estimated amounts:

Administrative Creditor	Estimated Administrative Claim
Kolesar & Leatham	\$100,000
Siemens Medical Solutions USA, Inc. ("Siemens Medical")	\$450,000

Administrative Creditor	Estimated Administrative Claim
AGFA Healthcare Corporation (“AGFA”)	(Disputed) \$325,000
Various Ordinary Course Trade Payables	\$50,000
\$925,000	

The Administrative Claim of Siemens Medical arises from a service management agreement under which Siemens Medical provided maintenance, repair, and other support services for certain medical imaging equipment owned by the Debtor. The Debtor recently reached an agreement with Siemens Medical to resolve various billing disputes [ECF No. 1018]. As part of that resolution, the Debtor agreed to pay Siemens Medical an Allowed Administrative Claim in the amount of \$500,000 over the course of 40 months in equal monthly payments, without interest, of \$12,500. Such payments begin in October 2017 and will continue until January 2021.

The disputed Administrative Claim of AGFA relates to an equipment lease and service agreement under which AGFA provided certain technical equipment and data storage services to the Debtor. Various disputes existed as to such lease and service agreement prior to the Petition Date. Subsequent to the entry of the Relief Order, the Debtor agreed to pay certain per diem charges to AGFA in exchange for AGFA’s assistance in transferring data stored by AGFA to a third-party storage solution. The Debtor and AGFA originally contemplated that the data transfer would be complete by December 15, 2015. However, the data transfer remains incomplete at this time. In the Debtor’s view, AGFA failed to provide the services to which its Administrative Claim relates and, as such, AGFA is not entitled to the full amount of its estimated Administrative Claim. The Debtor intends to dispute AGFA’s Administrative Claim. The amount in which AGFA’s Administrative Claim may be Allowed and the date on which payment may be due are uncertain.

Allowed Administrative Claims shall be paid in full (a) on or as soon as reasonably practicable after the Effective Date, (b) if such Claim is Allowed after the Effective Date, on or as soon as reasonably practicable after the date such Claim is Allowed, or (c) upon such other terms as may be agreed upon by the Debtor or the Reorganized Debtor, as applicable, and the holder of such Claim or otherwise upon an order of the Bankruptcy Court; *provided, however*, that Allowed

1 Administrative Claims representing liabilities incurred by the Debtor in the ordinary course of
 2 business during the Chapter 11 Case, other than those liabilities constituting or relating to
 3 commercial tort Claims or patent, trademark or copyright infringement Claims, shall be paid in
 4 the ordinary course of business in accordance with the terms and subject to the conditions of any
 5 agreements governing, instruments evidencing, or other documents related to such transactions,
 6 and holders of Claims related to such ordinary course liabilities are not required to File or serve
 7 any request for payment of such Administrative Claims.

8 **2. Priority Tax Claims**

9 There are no Priority Tax Claims at this time, and the Debtor anticipates that there will be
 10 no Priority Tax Claims as of the Effective Date.

11 **3. Gap Claims**

12 The Debtor estimates that unpaid Gap Claims (i.e., Claims arising in the ordinary course
 13 of the Debtor's business or financial affairs after the filing of the Involuntary Petition on July 2,
 14 2015 but before the entry of the Relief Order on August 10, 2015) will exist as of the Effective
 15 Date and will be allowed in the following estimated amounts:

GAP Creditor	Estimated GAP Claim
24/7 Radiology Solutions West, P.C.	\$108,855
AGFA Healthcare Corporation	\$17,117
General Electric Capital Corp. #8444801	\$8,158
General Electric Capital Corp. #8444802	\$4,946
General Electric Capital Corp. #8683503	\$1,115

\$140,191

20 Allowed Gap Claims will be paid in full, without interest, on the ninetieth (90th) day after
 21 the Effective Date in full and final satisfaction of such Claims or upon such other terms as may be
 22 agreed upon by the Debtor or the Reorganized Debtor, as applicable, and the holder(s) of such
 23 Claims.

24 **C. Classified Claims and Interests**

25 The following are the Classes set forth in the Plan, and the proposed treatment that they
 26 will receive under the Plan. The Classification of the Claims asserted against the Debtor under
 27 the Plan is summarized in the following table:
 28

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Class	Description	Treatment under Plan	Estimated Amount of Allowed Claims	Estimated Distribution
Class 1:	Secured Claims of Partap Investments, LLC (“ Partap ”) (formerly Meadows Bank Loan #3301009) and Moonshell, LLC (“ Moonshell ”)	Impaired	\$1,477,234	100%
Class 2:	Secured Claims of Bank of Nevada, Partap (formerly Wells Fargo and Meadows Bank Loan #7500023), and FirstLease, Inc. (“ FirstLease ”)	Unimpaired	Previously Paid in Full	100%
Class 3:	Other Secured Claims	Impaired	\$8,379	100%
Class 4:	Administrative Convenience Claims	Impaired	\$34,030	10%
Class 5:	General Unsecured Claims	Impaired	\$12,611,589	12%
Class 6:	Equity Interests	Unimpaired		

1. Class 1 – Secured Claims of Partap (formerly Meadows Bank Loan #3301009) and Moonshell (Impaired)

Class 1 includes the secured Claims of Partap (formerly Meadows Bank Loan #3301009) and Moonshell, which are secured by certain furnishings, fixtures, and equipment owned by the Debtor.

Creditor	Estimated Allowed Claim
Partap Investments, LLC (Formerly Meadows Bank Loan #3301009)	\$477,234
Moonshell, LLC	\$1,000,000
	\$1,477,234

The Secured Claims in Class 1 are the subject to the Moonshell Settlement Agreement. Except as otherwise set forth in the Moonshell Settlement Agreement, the holders of Allowed Class 1 Claims shall be paid the full amount of the unpaid principal balances of their respective notes, exclusive of all default rate interest, late charges, and fees, amortized and paid over the remaining terms of such notes at the interest rates set forth therein. Any outstanding principal balance remaining at the end of the note terms shall be paid by the Debtor in one lump sum. Until paid in full, the holders of Allowed Class 1 Claims shall retain their respective security interests in their collateral with the same priority and position as existed prior to the Petition Date. Upon payment in full of an Allowed Class 1 Claim, ownership of all collateral for such Claim shall vest in the Reorganized Debtor free and clear of all liens and encumbrances regardless of whether any affiliate of the Debtor is jointly liable for payment of such Claim or a party to any financing

1 contract with the holder of such Claim. Upon the occurrence of an uncured Event of Default, any
 2 holder of an Allowed Class 1 Claim shall have the option, but not the obligation, to convert such
 3 Claim to a percentage ownership interest of the New Equity Interests in the Reorganized Debtor
 4 to be calculated by dividing the amount of such Claim then outstanding by the total outstanding
 5 amount of all Allowed Class 1 Claims and Allowed Class 3 Claims.

6 Class 1 is an Impaired Class, and holders of Class 1 Claims are entitled to vote to accept
 7 or reject the Plan.

8 **2. Class 2 – Secured Claims of Bank of Nevada and Partap (formerly**
 9 **Meadows Bank Loan #3301009) (Unimpaired)**

10 Class 2 consists of the Secured Claims of Bank of Nevada and Partap (formerly Meadows
 11 Bank Loan #3301009), which were both secured by deeds of trust in certain residential real
 12 property located at 42 Painted Feather Way, Las Vegas, Nevada 89139 (the “**Painted Feather**
 13 **Lot**”). The Painted Feather Lot was owned by the Kittusamys personally through the Kittusamy
 14 Family Trust dated November 2, 2007. In anticipation of the Plan being confirmed by the
 15 Bankruptcy Court, the Kittusamys sold the Painted Feather Lot on or about May 10, 2016 and
 16 contributed the proceeds from the sale to the Debtor. The sale proceeds were used by the Debtor
 17 to fully pay the Secured Claim of Bank of Nevada and to partially pay the Secured Claim of
 18 Partap (formerly Meadows Bank Loan #3301009), which was subsequently paid in full from the
 19 proceeds of the sale of certain accounts receivable of the Debtor as approved by the Bankruptcy
 20 Court. The Secured Claims in Class 2 have previously been paid in full. Class 2 is an
 21 Unimpaired Class and is deemed to accept the Plan.

22 **3. Class 3 – Other Secured Claims (Impaired)**

23 Class 3 consists of all other Secured Claims against the Estate. Class 3 is an Impaired
 24 Class, and holders of Class 3 Claims are entitled to vote to accept or reject the Plan. The Debtor
 25 anticipates that Class 3 will include the following Claims:

Creditor	Estimated Allowed Claim
Cardinal Health 414, LLC	\$5,879
Wallis State Bank	\$2,500
	\$8,379

1 The holders of Allowed Class 3 Claims shall be paid the full amount of the unpaid
 2 principal balances of such Claims, exclusive of all default rate interest, late charges, and fees,
 3 upon the terms and conditions and at the interest rates set forth in their respective financing
 4 agreements; provided, however, that all unpaid principal and non-default rate interest accrued
 5 prior the Petition Date shall be paid on the ninetieth (90th) day after the Effective Date of the Plan.
 6 Until paid in full, the holders of Allowed Class 3 Claims shall retain their respective security
 7 interests in their respective collateral with the same priority and position as existed prior to the
 8 Petition Date. Upon payment in full of an Allowed Class 3 Claim, ownership of all collateral for
 9 such Claim shall vest in the Reorganized Debtor regardless of whether any affiliate of the Debtor
 10 is jointly liable for payment of such Claim or a party to any financing contract with the holder of
 11 such Claim. Upon the occurrence of an uncured Event of Default, any holder of an Allowed
 12 Class 3 Claim shall have the option, but not the obligation, to convert such Claim to a percentage
 13 ownership interest of the New Equity Interests in the Reorganized Debtor to be calculated by
 14 dividing the amount of such Claim then outstanding by the total outstanding amount of all
 15 Allowed Class 1 Claims and Allowed Class 3 Claims.

16 **4. Class 4 – Administrative Convenience Claims (Impaired)**

17 Class 4 consists of all unsecured Claims against the Debtor in amounts of \$5,000 or less.
 18 Class 4 is an Impaired Class, and holders of Class 4 Claims are entitled to vote to accept or reject
 19 the Plan. The Debtor anticipates that Class 4 will include the following Allowed Claims:

Creditor	Estimated Allowed Claim
Alarmco Inc.	\$45
Aqua Perfect	\$303
Baya Tree, LLC	\$870
C.R. Bard, Inc.	\$355
General Electric Capital Corp. #8455463	\$1,559
General Electric Capital Corp. #8683503	\$1,771
GE Healthcare Diagnostic Imaging	\$4,203
Infinisource, Inc.	\$531
Integra IT Solutions	\$2,894
Landauer, Inc.	\$1,494
Las Vegas Printing Experts	\$1,286
Ogletree Deakins	\$1,617

Creditor	Estimated Allowed Claim
Ontario Refrigeration	\$1,395
Pitney Bowes	\$2,000
PSS World Medical, Inc.	\$72
Shred-It USA	\$62
SIGVARIS	\$2,339
Silver Team Services	\$2,305
Simply Dezined	\$88
Southwest Gas Corporation	\$67
Spiral Boost	\$3,000
Sting Alarm, Inc.	\$584
The Radiation Control Program	\$4,400
Vaccine Center	\$628
Vasamed, Inc.	\$162

\$34,030

The holders of Allowed Class 4 General Unsecured Administrative Convenience Claims will be paid 10% of their Allowed Class 4 Claims, without interest, on the ninetieth (90th) day after the Effective Date in full and final satisfaction of such Claims.

5. Class 5 – General Unsecured Claims (Impaired)

Class 5 consists of all remaining unsecured Claims. Class 5 is an Impaired Class, and holders of Class 5 Claims are entitled to vote to accept or reject the Plan. The Debtor anticipates that Class 5 will include the following Claims:

Creditor	Claim Amount	Disputed	Estimated Allowed Claim
AGFA Healthcare Corporation	\$885,666		\$885,666
ARHC DMLSVNV001, LLC	\$368,052		\$368,052
Bailey Kennedy, LLP	\$9,809		\$9,809
Balboa Capital Corporation	\$6,874		\$6,874
Bayer Healthcare, LLC	\$115,267		\$115,267
Bracco Diagnostics, Inc.	\$91,469		\$91,469
Canyon Medical Billing	\$537,273		\$537,273
Cardinal Health 414, LLC	\$66,974		\$66,974
Colt Medical Services	\$18,447		\$18,447
Creekridge Capital, LLC	\$115,212	X	Unknown
Desert Valley Medical	\$24,810		\$24,810
DL-JT Management Services, LLC	\$36,000		\$36,000
DR Systems	\$50,000		\$50,000
Dr. Bess Chang	\$139,346		\$139,346
Dr. Dana Forte-Smirk	\$344,341	X	Unknown

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Creditor	Claim Amount	Disputed	Estimated Allowed Claim
Dr. Rudy Manthei	\$80,000		\$80,000
First Insurance Funding	\$44,186		\$44,186
Freedom Imaging, Inc.	\$17,154		\$17,154
General Electric Capital Corp. #8444801	\$144,751		\$144,751
General Electric Capital Corp. #8444802	\$87,672		\$87,672
Gordon Silver	\$27,962		\$27,962
Health Plan of Nevada	\$38,197		\$38,197
Henry Schein	\$76,140		\$76,140
Jani-King of Las Vegas, Inc.	\$6,435		\$6,435
L.L. Bradford	\$199,953		\$199,953
Leonard Parilak	\$464,795	X	Unknown
McKesson Medical Surgical	\$14,154		\$14,154
Venus Group, LLC	\$4,016,061	X	\$2,500,000
Moonshell Notes Payable	\$2,952,870	X	\$1,952,870
Nevada Linen Supply	\$5,614		\$5,614
ONRAD-ICI 24/7 Tele-Radiology	\$571,747	X	Unknown
PLIC - SBD Grand Island	\$5,494		\$5,494
Seven Hills Equipment, LLC	\$2,740,659	X	\$1,785,160
SHP Building I, LLC	\$1,887,449	X	\$507,340
Siemens Medical Solutions USA, Inc.	\$36,344		\$36,344
Partap Investments, LLC	\$3,343,487		\$2,418,845
Sierra Med Services	\$5,841		\$5,841
Surgical Tech	\$108,033		\$108,033
Toshiba America Medical Systems, Inc.	\$63,892		\$63,892
Universal Medical Laboratory, Inc.	\$8,500		\$8,500
West Palm Investment Group, LLC	\$1,033,022	X	Unknown
Xspectra, Inc.	\$242,332		\$242,332
	\$21,032,284		\$12,726,856

The holders of Allowed Class 5 General Unsecured Claims will be paid their pro rata share of the Reorganized Debtor's Available Cash Flow as set forth on Exhibit D to the Disclosure Statement over a projected period of five (5) years in quarterly payments beginning on the last Business Day of the first quarter that begins ninety (90) days after the Effect Date. The total amount of such payments shall not be less than \$1,000,000. The Debtor projects that the cumulative Available Cash Flow during such five (5) year period to be approximately \$1,500,000, which the Debtor estimates will be sufficient to pay approximately 12% of all estimated Allowed Class 5 General Unsecured Claims. However, depending upon the Reorganized Debtor's

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1 financial performance and outcome of the claim allowance process discussed below, the
2 percentage payout to Allowed Class 5 General Unsecured Claims could be substantially less than
3 12%.

4 The “Claim Amounts” indicated above are the amounts as set forth either in the Debtor’s
5 filed bankruptcy Schedules or, if the party in interest has filed a Proof of Claim with the Court,
6 the amount asserted in that party’s applicable Proof of Claim. Claim amounts listed in Proofs of
7 Claim are deemed allowed by operation of section 502(a) of the Bankruptcy Code unless and until
8 a party in interest files a formal written objection to the Claim with the Bankruptcy Court. The
9 Debtor anticipates that each of the Claims marked as “Disputed” in the above chart will be
10 disputed by the Debtor in a forthcoming claim objection or other similar proceeding to be filed in
11 the Debtor’s Chapter 11 Case. In some cases, the Bankruptcy Court has already sustained the
12 Debtor’s objections to such Claims. In other cases, the Debtor has reached voluntary agreements
13 to reduce such Claims. Certain Claims that are not marked as “Disputed” may yet be disputed by
14 the Debtor as it continues to investigate the basis of those Claims. There is no guaranty that the
15 Court will sustain any further objection or otherwise reduce the disputed Claims to the “Estimated
16 Allowed Claim” amounts indicated above.

17 If the Debtor’s various intended claim objections are not sustained by the Court, then the
18 total amount of Allowed Claims in Class 5 may be substantially larger than the Debtor’s estimate
19 of \$12,611,589, and the projected distributions to the holders of Allowed Class 5 Claims could be
20 substantially to less than the Debtor’s estimate of approximately 12%. In fact, if all Class 5
21 Claims are allowed in the full amounts indicated above, the percentage payout on such Claims
22 would be reduced to approximately 7% and could be subject to further reduction depending upon
23 the Reorganized Debtor’s financial Performance.

24 Finally, even if the Debtor objects to a Claim, the holders of such Claim may have other
25 remedies, including but not limited to seeking to temporarily allow its Claim for voting purposes
26 pursuant to Bankruptcy Rule 3018(a), which could impact the voting outcome for this Class.
27 Notwithstanding such potential remedies, the Debtor reserves any and all rights and remedies,
28 without limitation, to contest any claims or actions taken by any asserted creditors or Proofs of

1 Claim. The Debtor has not yet completed its analysis of all Class 5 General Unsecured Claims.
2 Up until the Claim Objection Bar Date, the Debtor may assert an objection to any Class 5 General
3 Unsecured Claim regardless of whether such Claim is identified herein as disputed.

4 **6. Class 6 – Equity Interests in the Debtor (Unimpaired)**

5 Class 6 consists of the holders of all direct and indirect Equity Interests in the Debtor. On
6 the Effective Date, the New Equity Interests in the Reorganized Debtor shall be issued to and held
7 by Prem K. Kittusamy, M.D. (49%) and Bhuvana P. Kittusamy, M.D. (51%).

8 Holders of Class 6 Equity Interests are Unimpaired, are deemed to have accepted this
9 Plan, and are not entitled to vote on this Plan.

10 **D. Means of Effectuating the Plan**

11 **1. Funding for the Plan**

12 The funds necessary to ensure the Debtor’s continuing performance under the Plan after
13 the Effective Date will be obtained from:

- 14 (i) Cash on hand, including the proceeds from the sale of the Painted Feather
15 Lot;
- 16 (ii) Collection of accounts receivable;
- 17 (iii) Cash generated from post-Effective Date operations of the Reorganized
18 Debtor;
- 19 (iv) Any reserves established by the Debtor; and
- 20 (v) Any other contributions or financing (if any) that the Reorganized Debtor
21 may obtain on or after the Effective Date.

22 Debtor has prepared a detailed analysis of its projected revenue and expenses during the
23 five (5) year period of the Plan, which is attached hereto as **Exhibit D**.

24 **2. Post-Confirmation Management**

25 Prem and Bhuvana Kittusamy will be appointed as the managing partners of the
26 Reorganized Debtor and will continue to manage the day-to-day affairs of the Reorganized
27 Debtor, which will continue to exist after confirmation of the Plan as a separate limited liability
28 partnership, with all the powers of a limited liability partnership pursuant to Nevada law and

1 pursuant to the Debtor's formation documents in effect prior to confirmation, except to the extent
2 such formation documents are amended by or in connection with this Plan. Any such amendments
3 are deemed to be authorized pursuant hereto and without the need for any other approvals,
4 authorizations, actions or consents.

5 **3. Distribution Agent**

6 The Reorganized Debtor shall act as the Distribution Agent for the purpose of making all
7 distributions provided for under the Plan. The Distribution Agent shall serve without bond and
8 shall receive no compensation for distribution services rendered and expenses incurred pursuant
9 to the Plan.

10 **4. Distributions on Claims Allowed After the Effective Date**

11 Although it is not anticipated that any payments will be made other than those of the Plan
12 Proponent, except as otherwise provided in the Plan, or upon the entry of a final, non-appealable
13 order of the Bankruptcy Court, or as agreed to by the relevant parties, distributions under the Plan
14 on account of a disputed Claim that becomes an Allowed Claim after the effective date of the Plan
15 shall be paid by the Reorganized Debtor in the ordinary course or as established by the
16 Distribution Agent, which is at least thirty (30) days after such Claim becomes an Allowed Claim.

17 Notwithstanding anything in the Plan to the contrary, and except as otherwise agreed to by
18 the relevant parties, no partial payments and no partial distributions shall be made with respect to
19 a disputed Claim until all such disputes in connection with such disputed Claim have been
20 resolved by settlement among the parties or a final order of the Court. In the event that there are
21 disputed Claims requiring adjudication and resolution, the Distribution Agent shall establish
22 appropriate reserves for potential payment of such Claims.

23 **E. Risk Factors**

24 The holders of any Claim against or interest in the Debtor should read and carefully
25 consider the following factors, as well as the other information set forth in this Disclosure
26 Statement (and the documents delivered together herewith and/or incorporated by reference
27 herein), before deciding whether to vote to accept or reject the Plan.

28 **1. Certain Bankruptcy Law Considerations**

1 It is not possible to predict with certainty the length of the Chapter 11 Case or to assure
2 that the Plan will be confirmed. Even if all voting Classes vote in favor of the Plan and the
3 requirements for “cramdown” are met with respect to any Class deemed to have rejected the
4 Plan, the Bankruptcy Court, which may exercise substantial discretion as a court of equity, may
5 choose not to confirm the Plan. Bankruptcy Code Section 1129 requires, among other things, a
6 showing that with respect to each Class, such Class either (i) has voted to accept the Plan or (ii)
7 the value of distributions to dissenting Classes of Claims will not be less than the value such
8 holders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.
9 Although the Debtor expects that the Plan meets such test with respect to all Classes, there can
10 be no assurance that the Bankruptcy Court will reach the same conclusion.

11 **2. Conditions Precedent to Consummation of the Plan**

12 The Plan provides for certain conditions that must be satisfied (or waived) prior to
13 confirmation of the Plan and for certain other conditions that must be satisfied (or waived) prior
14 to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that
15 any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, there can be
16 no assurance that the Plan will be confirmed by the Bankruptcy Court, and if the Plan is
17 confirmed, there can be no assurance that the Plan will be consummated.

18 **3. The Debtor Has No Duty to Update**

19 The statements in this Disclosure Statement are made by the Debtor as of the date hereof
20 unless otherwise specified herein. The delivery of this Disclosure Statement after that date does
21 not imply that there has been no change in the information set forth herein since that date. The
22 Debtor has no duty to update this Disclosure Statement unless ordered to do so by the
23 Bankruptcy Court.

24 **4. Projections and Other Forward-Looking Statements Are Not Assured 25 and Actual Results Will Vary**

26 Certain information in this Disclosure Statement, including the financial projections
27 provided in **Exhibit D** in support of the Plan, is forward-looking, and contains estimates and
28 assumptions which might ultimately prove to be incorrect, and projections which may differ

1 materially from actual future results. There are uncertainties associated with all assumptions,
2 projections and estimates, and they should not be considered assurances or guarantees of the
3 amount of funds that will be distributed under the Plan or the amount of Claims in the various
4 Classes that will be Allowed. However, the Debtor believes that the projections set forth in the
5 financial projects provided in **Exhibit D** are feasible and are supported by the Debtor's historical
6 financial planning and data.

7 **5. No Admissions Made**

8 Nothing contained herein shall constitute an admission of any fact or liability by the
9 Debtor or any other party nor shall it be deemed evidence of the tax or other legal effects of the
10 Plan on the Debtor or on holders of any Claim or other interest.

11 **6. No Waiver of Right to Object or Right to Recover Transfers and
12 Estate Assets**

13 A vote for or against the Plan by the holder of a Claim or Equity Interest does not
14 constitute a waiver or release of any Claims or rights of the Debtor (or any other party in
15 interest), to object to the Claim of such holder of a Claim or Equity Interest, or recover any
16 preferential, fraudulent or other voidable transfer or Estate assets, regardless of whether any
17 Claims of the Debtor or its Estate are specifically or generally identified in this Disclosure
18 Statement or the Plan.

19 **7. The Plan Is Dependent upon Debtor's Future Business Operations**

20 If the Bankruptcy Case continues for a prolonged amount of time, the proceedings could
21 adversely affect the Debtor's business operations and profitability. The longer the Bankruptcy
22 Case continues, the more likely it is that customers and suppliers may lose confidence in the
23 Debtor's ability to successfully reorganize its business and will seek to establish alternative
24 commercial relationships. Consequently, the Debtor might lose valuable contracts and other
25 business relationships in the course of the Bankruptcy Case. So long as the Bankruptcy Case
26 continues, the Debtor's senior management will be required to devote significant time and effort
27 to dealing with the Debtor's reorganization instead of focusing exclusively on business
28 operations. Prolonged continuation of the Bankruptcy Case will also make it more difficult to

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1 attract and retain management and other key personnel necessary to the success and growth of
2 the Debtor's business. Furthermore, so long as the Bankruptcy Case continues, the Debtor will
3 be required to incur substantial costs for professional fees and other expenses associated with the
4 proceedings.

5 While cash flow projections indicate there will be sufficient cash flow to meet all
6 ordinary demands and to pay professional fees and expenses, prolonged continuation of the
7 Bankruptcy Case could require the Debtor to seek additional financing. It may not be possible to
8 obtain additional financing during or after the Bankruptcy Case on commercially reasonable
9 terms or at all. If the Debtors require additional financing during the Bankruptcy Case and are
10 unable to obtain it on reasonable terms or at all, the Debtor's chances of a successful
11 reorganization may be seriously jeopardized.

12 **F. Other Provisions of the Plan**

13 **1. Executory Contracts and Unexpired Leases**

14 **a. Assumptions**

15 Assumption means that the Debtor has elected to continue to perform the obligations
16 under executed contracts and unexpired leases, and to cure defaults of the type that must be cured
17 under the Bankruptcy Code, if any.

18 On the Effective Date, the Reorganized Debtor shall assume all executory contracts and
19 unexpired leases of the Debtor listed on the Schedule of Assumed Agreements attached to the
20 Plan as **Exhibit A-1**. The Debtor reserves the right to amend the Schedule of Assumed
21 Agreements at any time prior to the Effective Date to: (a) delete any executory contract or
22 unexpired lease and provide for its rejection under the Plan or otherwise, or (b) add any executory
23 contract or unexpired lease and provide for its assumption under the Plan. The Debtor will
24 provide notice of any amendment to the Schedule of Assumed Agreements to the party or parties
25 to the agreement affected by the amendment.

26 Any entity that is a party to an executory contract or unexpired lease that will be assumed
27 under the Plan and that objects to such assumption must file with the Court and serve upon parties
28 entitled to notice a written statement and supporting declaration stating the basis for its objection.

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1 This statement and declaration must be Filed and served by the deadline fixed by the Court for
2 such objection. Any entity that fails to timely File and serve such a statement and declaration will
3 be deemed to waive any and all objections to the proposed assumption (including the proposed
4 Cure Payment) of its contract or lease.

5 In the absence of a timely objection by an entity that is a party to an executory contract or
6 unexpired lease, the Confirmation Order shall constitute a conclusive determination as to the
7 amount of any cure and compensation due under the executory contract or unexpired lease, and
8 that the Reorganized Debtor has demonstrated adequate assurance of future performance with
9 respect to such executory contract or unexpired lease, to the extent required.

10 **b. Rejections**

11 On the Effective Date, all executory contracts and unexpired leases that (i) have not been
12 previously assumed or rejected and (ii) that are not set forth on the Schedule of Assumed
13 Agreements, (including all executory contracts and unexpired leases set forth on the Schedule of
14 Rejected Agreements) shall be rejected. For the avoidance of doubt, executory contracts and
15 unexpired leases that have been previously assumed or assumed and assigned pursuant to an order
16 of the Court shall not be affected by the Plan. The Confirmation Order will constitute a Court
17 order approving the rejection, on the Effective Date, of the executory contracts and unexpired
18 leases to be rejected under the Plan.

19 Any Rejection Damage Claim or other Claim against the Debtor for damages arising from
20 the rejection under the Plan of an executory contract or unexpired lease must be Filed and served
21 upon counsel to the Reorganized Debtor within 30 days after the mailing of notice of the
22 occurrence of the Effective Date. Any such Claims that are not timely Filed and served will be
23 forever barred and unenforceable against the Debtor, the Reorganized Debtor, the Estate, and their
24 respective property, and entities holding such Claims will be barred from receiving any
25 distributions under the Plan on account of such untimely Claims.

26 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING
27 FROM THE REJECTION OF A LEASE OR CONTRACT IS THIRTY (30) DAYS FROM THE
28 DATE OF THE ENTRY OF THE ORDER CONFIRMING DEBTOR'S PLAN. ANY CLAIM

1 BASED ON THE REJECTION OF A CONTRACT OR LEASE WILL BE BARRED IF THE
2 PROOF OF CLAIM IS NOT TIMELY FILED, UNLESS THE COURT LATER ORDERS
3 OTHERWISE.

4 **G. Tax Consequences of Plan**

5 Creditors and Equity Interest holders concerned with how the plan may affect their tax
6 liability should consult with their own accountants, attorneys, and/or advisors.

7 The following disclosure of possible tax consequences is intended solely for the purpose
8 of alerting readers about possible tax issues this Plan may present to the Debtor. The Debtor
9 CANNOT and DOES NOT represent that the tax consequences contained below are the only tax
10 consequences of the Plan because the Internal Revenue Code embodies many complicated rules
11 that make it difficult to state completely and accurately all the tax implications of any action.

12 Debtor does not anticipate any adverse tax consequences to the Estate from the Plan. To
13 the extent Debtor receives any debt forgiveness income related to this Chapter 11 Case, such
14 income would not be taxable under Section 108(a)(1) of the Internal Revenue Code, 26 U.S.C. §§
15 1, *et seq.*

16 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

17 Persons or entities concerned with confirmation of the Plan should consult with their own
18 attorneys because the law on confirming a plan of reorganization is very complex. The following
19 discussion is intended solely for the purpose of alerting readers about basic confirmation issues,
20 which they may wish to consider, as well as certain deadlines for filing Claims. The Debtor
21 CANNOT and DOES NOT represent that the discussion contained below is a complete summary
22 of the law on this topic.

23 To be confirmable, the Plan must meet the requirements listed in Sections 1129(a) or (b)
24 of the Bankruptcy Code. These include the requirements that: (i) the Plan must be proposed in
25 good faith; (ii) at least one Impaired Class of Claims must accept the Plan, without counting votes
26 of insiders; (iii) the Plan must distribute to each Creditor and equity interest holder at least as
27 much as the Creditor or equity interest holder would receive in a Chapter 7 liquidation case,
28 unless the Creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be

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1 feasible. These requirements are not the only requirements listed in Section 1129, and they are not
2 the only requirements for confirmation.

3 **A. Who May Vote or Object?**

4 **1. Who May Object to Confirmation of the Plan?**

5 Any party in interest may object to the confirmation of the Plan if that party believes that
6 the requirements for confirmation have not been met, but as explained below not everyone is
7 entitled to vote to accept or reject the Plan.

8 **2. Who May Vote to Accept/Reject the Plan?**

9 A Creditor or Equity Interest holder has a right to vote for or against the Plan only if that
10 Creditor or Equity Interest has a Claim or equity interest which is both (1) Allowed (or Allowed
11 for voting purposes) and (2) Classified as part of an Impaired Class.

12 **a. What Is an Allowed Claim?**

13 As noted above, a Creditor must first have an Allowed Claim to have the right to vote for
14 or against the Plan. Generally, any Proof of Claim will be Allowed, unless a party in interest
15 brings a motion objecting to the Proof of Claim. When an objection to a Claim is filed, the
16 Creditor holding the Claim cannot vote unless the Court, after notice and hearing, either overrules
17 the objection or allows the Claim for voting purposes pursuant to Rule 3018(a) of the Federal
18 Rules of Bankruptcy of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

19 **THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE IS**
20 **DECEMBER 16, 2015.**

21 A Creditor may have an Allowed Claim even if a Proof of Claim is not timely filed. A
22 Claim is deemed Allowed if (a) it is scheduled on the Debtor’s schedules and such Claim is not
23 scheduled as disputed, contingent, or unliquidated, and (b) no party in interest has objected to the
24 Claim

25 **b. What Is an Impaired Claim/Interest?**

26 As noted above, an Allowed Claim only has the right to vote if it is in a Class that is
27 Impaired under the Plan. As provided in Section 1124 of the Bankruptcy Code, a Class is
28 Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class.

1 For example, a Class comprised of general unsecured Claims is Impaired if the Plan fails to pay
2 the members of that Class 100% of what they are owed or it delays payments without offering
3 market interest.

4 In this case, Debtor believes that Classes 1, 2, 3, 4, 6, and 7 are Impaired and that holders
5 of Claims in each of these Classes are, therefore, entitled to vote to accept or reject the Plan.
6 Parties who may dispute Debtor’s characterization of their Claim as being Impaired or
7 Unimpaired may File an objection to the Plan contending that the Proponent has incorrectly
8 characterized their Claim.

9 **3. Who Is Not Entitled to Vote?**

10 The following six types of Claims are not entitled to vote:

- 11 (i) Administrative expenses;
- 12 (ii) Claims that have been disallowed by an Order of the Court;
- 13 (iii) Claims that are not “allowed Claims” (as discussed above) but have been
14 deemed “allowed” solely for voting purposes;
- 15 (iv) Claims in Unimpaired Classes;
- 16 (v) Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2)
17 or (a)(8); and
- 18 (vi) Claims in Classes that do not receive or retain any value under the Plan.

19 Claims in Unimpaired Classes are not entitled to vote because such Classes are deemed to
20 have accepted the Plan. Claims entitled to priority pursuant to Bankruptcy Code sections
21 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such Claims are not placed in Classes
22 and they are required to receive certain treatment specified by the Code. Claims in Classes that
23 do not receive or retain any value under the Plan do not vote because such Classes are deemed to
24 have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE,
25 YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN
26 AND THE ADEQUACY OF THE DISCLOSURE STATEMENT.

27 **4. Who Can Vote in More Than One Class?**

28

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1 A Creditor whose Claim has been Allowed in part as a secured Claim and in part as an
2 unsecured Claim, or who otherwise holds Claims in multiple Classes, is entitled to vote to accept
3 or reject the Plan in each capacity and should cast one ballot for each Claim.

4 **5. Votes Necessary to Confirm the Plan**

5 If Impaired Classes exist, the Court cannot confirm the Plan unless (a) at least one (1)
6 Impaired Class of Creditors has accepted the Plan without counting the votes of any insiders
7 within that Class, and (b) all Impaired Classes have voted to accept the Plan, unless the Plan is
8 eligible to be confirmed by “cramdown” on non-accepting Classes. These procedures are
9 complex and you are urged to seek the advice of counsel should you have questions concerning
10 this process.

11 **6. Votes Necessary for a Class to Accept the Plan**

12 A Class of Claims is considered to have accepted the Plan if both of the following occur:
13 (a) holders of more than one-half (1/2) of the Allowed Claims in the Class, who vote, cast votes to
14 accept the Plan, and (b) the holders of at least two-thirds (2/3) in dollar amount of the Allowed
15 Claims in the Class, who vote, cast votes in favor of accepting the Plan.

16 **7. Treatment of Non-Accepting Classes.**

17 Even if one (1) or more of the Impaired Classes do not accept the Plan, the Court may
18 nonetheless confirm the Plan if the non-accepting Classes are treated in the manner required by
19 Section 1129(b) of the Bankruptcy Code. The process by which non-accepting Classes are forced
20 to be bound by the terms of a Plan is commonly referred to as “cramdown.” The Bankruptcy
21 Code allows the Plan to be “crammed down” on non-accepting Classes of Claims or interests if it
22 meets all consensual confirmation requirements except the voting requirements of Section
23 1129(a)(8) of the Bankruptcy Code and if the Plan does not “discriminate unfairly” and is “fair
24 and equitable” toward each Impaired Class that has not voted to accept the Plan as referred to in
25 Section 1129(b) of the Bankruptcy Code and applicable case law. You should consult your own
26 attorney regarding whether a “cramdown” confirmation will affect your Claim, as the variations
27 on this general rule are numerous and complex.

28 **B. Liquidation Analysis**

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1 Pursuant to Section 1129(a)(7) of the Bankruptcy Code, for the Plan to be confirmed, it
2 must provide holders of Allowed Claims with at least as much under the Plan as they would
3 receive in a liquidation of the Debtor under Chapter 7 of the Bankruptcy Code (the “**Best**
4 **Interests Test**”). The Best Interests Test with respect to each Impaired Class requires that each
5 holder of an Allowed Claim in such Class either: (i) accepts the Plan; or (ii) receives or retains
6 under the Plan property of a value, as of the Effective Date, that is not less than the value such
7 holder would receive or retain if the Debtor were liquidated under Chapter 7. The Bankruptcy
8 Court will determine whether the value to be received under the Plan by the holders of Allowed
9 Claims in each Class of Creditors equals or exceeds the value that would be allocated to such
10 holders in liquidation under Chapter 7. The Liquidation Analysis, which shall be forthcoming
11 and attached as Exhibit C hereto summarizes the Debtor’s best estimate of recoveries by
12 Creditors and Holders of Allowed Equity Interests in the event of liquidation of the Debtor as of
13 May 31, 2017.

14 Generally, to determine what holders of Allowed Claims and Allowed Equity Interests in
15 each Impaired Class would receive if the Debtor was liquidated, the Bankruptcy Court must
16 determine what funds would be generated from the liquidation of the Assets in a Chapter 7
17 liquidation case for the Debtor, which for unsecured Creditors would consist of the proceeds
18 from the disposition of the Assets of the Debtor, augmented by the unencumbered Cash held by
19 the Trustee until the completion of the liquidation. It is assumed that the Trustee would not
20 continue to operate the Club once the Chapter 11 Case were converted to Chapter 7. Such Cash
21 amounts would be reduced by the costs and expenses of the liquidation and by such additional
22 Administrative Claims and Other Priority Claims as may result from the termination of the
23 Debtor’s businesses in the Chapter 7 case and the use of Chapter 7 for the purpose of liquidation.

24 In a Chapter 7 liquidation, holders of allowed claims receive distributions based on the
25 liquidation of the non-exempt assets of a debtor. However, there are no exempt assets in this
26 Chapter 11 Case, and, as such, the distributions would include the same Assets being collected
27 and liquidated under the Plan, namely the interests of the Debtor in the Assets. However, the
28 proceeds from the collection and sale of property of the Estate available for distribution to

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1 Creditors would be first reduced by the satisfaction of any liens and security interests in the
2 Assets, costs of sale, any commission payable to the Chapter 7 trustee, the trustee's attorneys'
3 and accounting fees, as well as the administrative costs of the Chapter 7 estate. In a Chapter 7
4 case, the Chapter 7 trustee would be entitled to seek a sliding-scale commission based upon the
5 funds distributed by such trustee to secured creditors.

6 After the satisfaction of any liens and security interests in liquidated proceeds,
7 Administrative Claims that may arise in a Chapter 7 case or result from this Chapter 11 Case
8 would be paid in full from the liquidation proceeds before the balance of those proceeds would
9 be made available to pay unclassified Claims, Allowed Priority Claims, and Allowed General
10 Unsecured Claims in a Chapter 7 case.

11 The distributions from the liquidation proceeds would be paid Pro Rata according to the
12 amount of the aggregate Claims held by each Creditor in a Chapter 7 case in accordance with the
13 distribution scheme of the Bankruptcy Code. The Debtor believes that the most likely outcome
14 under Chapter 7 would be the application of the "absolute priority rule." Under that rule, no
15 junior Creditor in a Chapter 7 case may receive any distribution until all senior Creditors are paid
16 in full, with interest.

17 The Debtor has determined that Confirmation will provide each holder of an Allowed
18 Claim or Equity Interest with not less of a recovery than it would receive if the Debtor was
19 liquidated under Chapter 7. In liquidation under Chapter 7, as set forth for the Debtor in the
20 Liquidation Analysis, the recoveries for unclassified Claims, Allowed Priority Claims, and
21 Allowed General Unsecured Claims, would vary, but would not exceed the projected recoveries
22 under the Plan.

23 **V. EFFECT OF CONFIRMATION OF PLAN**

24 **A. Discharge**

25 This Plan provides that upon confirmation of the Plan, Debtor shall be discharged of
26 liability for payment of debts incurred before confirmation of the Plan to the extent specified in
27 Section 1141 of the Bankruptcy Code. Thus, upon confirmation, the Debtor and all property dealt
28 with in the Plan shall be free and clear of all such Claims and liabilities, including without

1 limitation, liens, security interests, and any and all other encumbrances except to the extent stated
2 otherwise in the Plan. However, the discharge will not discharge any liability imposed by the
3 Plan.

4 **B. Revesting of Property in the Debtor**

5 Except as provided elsewhere in the Plan, the confirmation of the Plan re-vests all of the
6 property of the Estate in the Reorganized Debtor.

7 **C. Modification of Plan**

8 The Debtor may modify the Plan at any time before confirmation of the Plan. The
9 Bankruptcy Court, however, may require a new Disclosure Statement and/or re-voting on the
10 Plan. The Debtor may also seek to modify the Plan at any time after confirmation only if (1) the
11 Plan has not been substantially consummated and (2) the Court authorizes the proposed
12 modifications after notice and a hearing.

13 Upon request of the Debtor, the Plan may be modified at any time after confirmation of
14 the Plan, but before the completion of payments under the Plan, to (1) increase or reduce the
15 amount of payments under the Plan on Claims of a particular Class, (2) extend or reduce the time
16 period for such payments, or (3) alter the amount of distribution to a Creditor whose Claim is
17 provided for by the Plan to the extent necessary to take on accounting of any payment of a Claim
18 made other than under the Plan.

19 Effective as of the date hereof and subject to the limitations and rights contained in the
20 Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the
21 Bankruptcy Rules, to amend or modify the Plan prior to the entry of the confirmation order; and
22 (b) after the entry of the confirmation order, the Debtor or the Reorganized Debtor, as applicable,
23 may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Section
24 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency
25 in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan;
26 provided, however, that any modification to the Plan shall not affect the rights or treatment of
27 holders of general unsecured Claims.

28 **D. Post-Confirmation Status Report**

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1 Until the entry of the Final Decree, Debtor shall file with the clerk, not later than twenty
2 (20) days after the end of the calendar quarter which occurs after the entry of this order, and every
3 six (6) months thereafter, a report of the action taken by the reorganized Debtor and the progress
4 made toward consummation of the confirmed Plan. Said report shall include, at a minimum, the
5 following information:

- 6 (i) A schedule of any personal property costing more than \$5,000.00 and any
7 real property acquired, sold or disposed of since confirmation of the Plan
8 and the price paid for each;
- 9 (ii) A schedule listing each debt, the total amount required to be paid under the
10 Plan, the amount required to be paid to date, the amount actually paid to
11 date, and the amount unpaid;
- 12 (iii) A schedule of executory contracts entered into after confirmation of the
13 Plan;
- 14 (iv) A statement listing each postpetition tax (i.e., income, payroll, property,
15 sales), and payee and the amount actually paid; and
- 16 (v) The progress toward completion of the confirmed plan and a list and status
17 of any pending adversary proceedings or motion and resolution expected;
18 and
- 19 (vi) A statement regarding the status of payment of both pre-confirmation and
20 post confirmation U.S. Trustee quarterly fees.

21 The Debtor shall file further progress reports not later than six (6) months after the initial
22 progress report is due and every six (6) months thereafter, until the Estate is fully administered. A
23 copy of the initial and subsequent progress reports shall be filed concurrently with the Office of
24 the United States Trustee.

25 **E. Post-Confirmation Conversion/Dismissal**

26 A Creditor or party in interest may bring a motion to convert or dismiss this case under
27 Section 1112 of the Bankruptcy Code, after the Plan is confirmed, if there is a default in
28 performing the Plan pursuant to the Bankruptcy Code. If the Court orders the case converted to

1 Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11
2 Estate, and that has not been disbursed pursuant to the Plan, will re-vest in the Chapter 7 Estate.
3 The automatic stay will be re-imposed upon the re-vested property, but only to the extent that
4 relief from stay was not previously authorized by the Court during this Chapter 11 Case.

5 The Confirmation Order may also be revoked under very limited circumstances. The
6 Court may revoke the Confirmation Order if it was procured by fraud and if a party in interest
7 brings an adversary proceeding to revoke Confirmation within 180 days after the entry of the
8 Confirmation Order.

9 **F. Final Decree**

10 Once the Estate has been fully administered, as provided in Rule 3022 of the Bankruptcy
11 Rules, the Plan Proponent, or such other party as the Court shall designate in the Plan
12 Confirmation Order, shall file a motion with the Court to obtain a Final Decree to close the
13 Chapter 11 Case. Alternatively, the Court may enter such a Final Decree on its own accord.

14 **VI. OTHER PLAN PROVISIONS**

15 **A. Vesting of Assets in the Plan Proponent.**

16 After Confirmation of the Plan, all property of the Estate shall vest in Debtor, or any entity
17 it may designate, free and clear of all liens, Claims, charges or other encumbrances except as
18 otherwise stated in the Plan. Without limiting the foregoing, Debtor shall pay the charges that it
19 incurs after Confirmation for professionals' fees, disbursements, expenses or related support
20 services (including reasonable fees relating to the preparation of professional fee applications)
21 without application to the Bankruptcy Court.

22 **B. Release of Liens, Claims and Equity Interests**

23 Except as otherwise provided herein or in any contract, instrument, release or other
24 agreement or document entered into or delivered in connection with the Plan, upon Confirmation,
25 all liens, Claims, mortgages, deeds of trust, or other security interests against the property of the
26 Debtor's Estate shall be fully released and discharged.

27 **C. Compromise and Settlement**

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1 Notwithstanding anything contained in this Disclosure Statement to the contrary, the
2 allowance, classification, and treatment of all Claims and their respective distributions and
3 treatments in the Plan takes into account the relative priority and rights of the Claims and the
4 Equity Interests in each Class in connection with any contractual, legal and equitable
5 subordination rights relating to those Claims, whether arising under general principles of
6 equitable subordination, Sections 510(b) and (c) of the Bankruptcy Code or otherwise. Pursuant
7 to either the Debtor's payment in full of the Claims against it, or the surrendering of the collateral
8 related to its secured debt contained in the Plan, as of the Effective Date of the Plan, any and all
9 contractual, legal and equitable subordination rights, whether arising under general principles of
10 equitable subordination, Sections 510(b) and (c) of the Bankruptcy Code or otherwise, relating to
11 the allowance, classification and treatment of all Allowed Claims and their respective
12 distributions and treatments in the Plan are settled, compromised, terminated and released.

13 **D. Third Party Release**

14 **EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN THE PLAN, ON THE**
15 **CONFIRMATION DATE OF THE PLAN AND EFFECTIVE AS OF THE**
16 **CONFIRMATION DATE, THE DEBTOR AND ALL MEMBERS AND MANAGERS OF**
17 **THE DEBTOR (WITH MEMBERS AND MANAGERS OF THE DEBTOR DEFINED TO**
18 **INCLUDE ONLY THE PREM KITTUSAMY PC, THE BP KITTUSAMY PC, PREM**
19 **KITTUSAMY, AND BHUVANA KITTUSAMY) SHALL RECEIVE A FULL RELEASE**
20 **FROM THE DEBTOR AND ITS ESTATE FROM ANY AND ALL CAUSES OF ACTION**
21 **ASSERTABLE ON BEHALF OF THE DEBTOR OR ITS ESTATE, WHETHER**
22 **KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR**
23 **UNLIQUIDATED, CONTINGENT OR NON-CONTINGENT, EXISTING AS OF THE**
24 **EFFECTIVE DATE OF THE PLAN, WHETHER IN LAW, AT EQUITY, WHETHER**
25 **FOR TORT, FRAUD, CONTRACT OR OTHERWISE, ARISING FROM OR RELATED**
26 **IN ANY WAY TO THE DEBTOR, INCLUDING, WITHOUT LIMITATION, IN ANY**
27
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1 WAY RELATED TO THE CHAPTER 11 CASE, THE DEBTOR’S RESTRUCTURING,
2 THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE
3 DISCLOSURE STATEMENT, OR ANY OTHER ACT OR OMISSION RELATED
4 THERETO OCCURRING ON OR BEFORE THE CONFIRMATION DATE;
5 *PROVIDED, HOWEVER,* THAT THE FOREGOING RELEASE SHALL NOT OPERATE
6 TO WAIVE OR RELEASE ANY CAUSES OF ACTION (1) OF THE DEBTOR OR ITS
7 ESTATE FROM ANY CLAIMS ARISING FROM WILLFUL MISCONDUCT OR
8 GROSS NEGLIGENCE; OR (2) CLAIMS THAT MAY BE ASSERTED BY THIRD
9 PARTIES AGAINST PERSONS OR ENTITIES OTHER THAN THE DEBTOR,
10 INCLUDING THE MEMBERS AND MANAGERS OF THE DEBTOR.
11

12 ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE
13 BANKRUPTCY COURT’S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019,
14 OF THE RELEASES HEREIN, AND FURTHER, SHALL CONSTITUTE THE
15 BANKRUPTCY COURT’S FINDING THAT THE RELEASES ARE (1) IN THE BEST
16 INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS; (2) FAIR,
17 EQUITABLE AND REASONABLE; AND (3) GIVEN AND MADE AFTER DUE NOTICE
18 AND OPPORTUNITY FOR HEARING.
19

20 **E. Exculpation**

21 The Debtor and its Equity Interest holders shall neither have, nor incur any liability to any
22 entity for any prepetition or post-petition act taken or omitted to be taken in connection with, or
23 related to formulating, negotiating, preparing, disseminating, implementing, administering,
24 confirming or effecting the consummation of the Plan, the Disclosure Statement or any contract,
25 instrument, release or other agreement or document created or entered into in connection with the
26 Plan or any other prepetition or post-petition act taken or omitted to be taken in connection with
27 or in contemplation of the restructuring of the Debtor; *provided, however,* that the foregoing
28 “exculpation” shall have no effect on the liability of any entity that results from any such act or

1 omission that is determined in a final order to have constituted gross negligence or willful
2 misconduct; *provided, further*, that each party exculpated pursuant to the Plan shall be entitled to
3 rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with,
4 the Plan; *provided, still further*, that the foregoing exculpation shall not apply to any acts or
5 omissions expressly set forth in and preserved by the Plan or its related documents.

6 **F. Certificate of Incorporation and Bylaws**

7 The articles of organization and bylaws (or other formation documents) of the Debtor shall
8 be amended as may be required to be consistent with the provisions of the Plan and the
9 Bankruptcy Code or as otherwise required by, and in a form reasonably acceptable to, the Debtor.

10 On or as soon as reasonably practicable after confirmation of the Plan, the reorganized
11 Debtor shall file a new certificate of organization with the Nevada Secretary of State, as required
12 by Section 1123(a)(6) of the Bankruptcy Code.

13 **G. Revocation of Plan**

14 The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation
15 Hearing and to file subsequent Chapter 11 plans. If the Debtor revokes or withdraws the Plan, or
16 if confirmation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any
17 settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or
18 unexpired leases effected by the Plan and any document or agreement executed pursuant hereto
19 shall be deemed null and void except as may be set forth in a separate order entered by the Court;
20 and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or
21 against, the Debtor or any other entity; (b) prejudice in any manner the rights of the Debtor or any
22 other entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by
23 the Debtor or any other entity.

24 **H. Successors and Assigns**

25 The rights, benefits and obligations of any entity named or referred to herein shall be
26 binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign
27 of such entity.
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1 **I. Reservation of Rights**

2 Except as expressly set forth in the Plan, the Plan shall have no force or effect until the
3 Court enters the Confirmation Order. Neither the filing of the Plan, any statement or provision
4 contained in the Disclosure Statement, nor the taking of any action by the Debtor, the Plan
5 Proponent or any other entity with respect to the Plan shall be or shall be deemed to be an
6 admission or waiver of any rights of: (1) any Debtor with respect to the holders of Claims or other
7 entity; or (2) any holder of a Claim or other entity prior to the effective date of the Plan.

8 **J. Further Assurances**

9 The Debtor or the Reorganized Debtor, as applicable, all holders of Claims receiving
10 distributions under the Plan, and all other entities shall, from time to time, prepare, execute and
11 deliver any agreements or documents and take any other actions as may be necessary or advisable
12 to effectuate the provisions and intent of the Plan or the confirmation order.

13 **K. Severability**

14 If, prior to Confirmation of the Plan, any term or provision of the Plan is held by the Court
15 to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such
16 term or provision to make it valid or enforceable to the maximum extent practicable, consistent
17 with the original purpose of the term or provision held to be invalid, void or unenforceable, and
18 such term or provision then will be applicable as altered or interpreted, provided, however, that
19 any such alteration or interpretation must be in form and substance reasonably acceptable to the
20 Debtor, the Plan Proponent, and, to the extent such alteration or interpretation affects the rights or
21 treatment of holders of general unsecured Claims, such Claim holder.

22 **L. Return of Security Deposits**

23 Unless the Debtor agrees otherwise in a written agreement or stipulation approved by the
24 Court, all security deposits provided by the Debtor to any person or entity at any time after the
25 petition date shall be returned to the Debtor within twenty (20) days after the date of
26 Confirmation, without deduction or offset of any kind.

27 **M. Filing of Additional Documents**

28

1 On or before the Effective Date, the Debtor or the Plan Proponent may file with the
2 Bankruptcy Court all agreements and other documents that may be necessary or appropriate to
3 effectuate and further evidence the terms and conditions hereof.

4 DATED this 15th day of November, 2017.

5 KITTUSAMY, LLP

6 By: Prem Kumar Kittusamy, M.D., P.C.

7 /s/ Prem K. Kittusamy, M. D.

8 By: Prem K. Kittusamy, M.D.

9 Its: President

10 Prepared and Submitted by:

11 KOLESAR & LEATHAM

12 /s/ Bart K. Larsen, Esq.

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17 *Attorneys for Debtor in Possession*

18 *Kittusamy, LLP*

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VII. APPENDIX

- EXHIBIT A – CHAPTER 11 PLAN OF REORGANIZATION**
- EXHIBIT B – SUMMARY OF HISTORICAL FINANCIAL STATEMENTS**
- EXHIBIT C – LIQUIDATION ANALYSIS**
- EXHIBIT D – FINANCIAL PROJECTIONS**

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EXHIBIT A

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10 **UNITED STATES BANKRUPTCY COURT**
 11 **DISTRICT OF NEVADA**

12 * * *

13 IN RE: 14 KITTUSAMY, LLP, 15 Debtor.	Case No. BK-S-15-13868-ABL Chapter 11
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 17 **FIFTH AMENDED CHAPTER 11 PLAN OF**
 18 **REORGANIZATION FOR KITTUSAMY, LLP**
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1 **INTRODUCTION**

2 Kittusamy, LLP, as debtor and debtor in possession (“Kittusamy” or “Debtor”), proposes
3 this Chapter 11 Plan of Reorganization (the “Plan”) for the resolution of the outstanding claims
4 against, and equity interests in the Debtor. The Debtor is the proponent of this Plan within the
5 meaning of section 1129 of the Bankruptcy Code. All holders of Claims and Equity Interests that
6 are entitled to vote are encouraged to read the Plan in its entirety as well as the Disclosure
7 Statement, which was provisionally approved by the Bankruptcy Court on _____,
8 2017 (the “Disclosure Statement”), which discusses the Debtor’s business operations, history
9 financial results, and future financial projections. The Disclosure Statement also includes a
10 summary and analysis of this Plan and additional information concerning the classification and
11 treatment of the Claims and Interests provided herein.

12 **I. DEFINED TERMS AND RULES OF INTERPRETATION**

13 **A. Defined Terms.**

14 Administrative Claim: A Claim for costs and expenses of administration pursuant to
15 Bankruptcy Code sections 503(b), 507(a)(2), 507(b), or 1114(e)(2), including, without limitation:
16 (a) the actual and necessary costs and expenses of the Estates incurred after the Petition Date; (b)
17 Allowed Professional Claims; and (c) all fees and charges assessed against the Estates pursuant to
18 section 1930 of chapter 123 of title 28 of the United States Code.

19 Administrative Claim Bar Date: The deadline for filing requests for payment of
20 Administrative Claims, which shall be thirty (30) days after the Effective Date, unless otherwise
21 ordered by the Bankruptcy Court, except with respect to Professional Claims, which shall be
22 subject to the provisions of Article III.B.

23 Affiliate: As defined at section 101(2) of the Bankruptcy Code.

24 Allowed: Except as otherwise provided herein: (a) a Claim or Interest that is (i) listed in
25 the Schedules as of the Effective Date as not disputed, not contingent, and not unliquidated, or (ii)
26 evidenced by a valid Proof of Claim filed by the applicable Bar Date and as to which the Debtor,
27 or other parties in interest have not filed an objection to the allowance thereof within the
28 applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the
Bankruptcy Court, or (b) a Claim that is Allowed pursuant to the Plan or any stipulation approved
by, or Final Order of, the Bankruptcy Court.

Assets: All of the Debtor’s right, title and interest of any nature in property, wherever
located, as specified in section 541 of the Bankruptcy Code.

Available Cash Flow: The Debtor’s net income after the payment of reasonable and
necessary operating expenses, secured debt payments, capital expenditures reserves, and taxes. A
projection of the Debtor’s Available Cash Flow is contained within Exhibit D to the Disclosure
Statement.

Avoidance Actions: Any and all avoidance, recovery, subordination, or other actions or
remedies that may be brought on behalf of the Debtor or its estate under the Bankruptcy Code or
applicable non-bankruptcy law, including actions or remedies under Bankruptcy Code sections

1 544, 547, 548, 550, 551, 552, or 553.

2 Ballot: The form of ballot provided to holders of Claims or Interests pursuant to
3 Bankruptcy Rule 3017(d), by which each holder may accept or reject the Plan.

4 Bankruptcy Code: Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as may
5 be amended from time to time.

6 Bankruptcy Court: The United States Bankruptcy Court for the District of Nevada having
7 jurisdiction over the Chapter 11 Case and to the extent of the withdrawal of any reference under
8 section 157 of title 28 of the United States Code and/or order of a district court pursuant to section
9 157(a) of title 28 of the United States Code, the United States District Court for the District of
10 Nevada.

11 Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure as applicable to the
12 Chapter 11 Cases, and the general, local, and chambers rules of the Bankruptcy Court.

13 Business Day: Any day, other than a Saturday, Sunday, or a legal holiday, as defined in
14 Bankruptcy Rule 9006(a).

15 Cash: The legal tender of the United States of America or the equivalent thereof,
16 including bank deposits and checks.

17 Causes of Action: means all actions, causes of action (including Avoidance Actions),
18 Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands,
19 setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims,
20 contribution claims or any other claims disputed or undisputed, suspected or unsuspected,
21 foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law,
22 equity or otherwise, based in whole or in part upon any act or omission or other event occurring
23 prior to the Commencement Date or during the course of the Chapter 11 Case, including through
24 the Effective Date.

25 Chapter 11 Case: The Chapter 11 case pending for the Debtor under Chapter 11 of the
26 Bankruptcy Code before the Bankruptcy Court.

27 Claim: As defined in Bankruptcy Code section 101(5).

28 Claimant: The holder of a Claim.

Claims Bar Date: As applicable, (a) December 16, 2015, (b) the Governmental Bar Date
or (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy
Court for Filing such Claims.

Claims Objection Bar Date: For each Claim, the later of (a) 180 days after the Effective
Date and (b) such other period of limitation as may be specifically fixed by an order of the
Bankruptcy Court for objecting to such Claims; *provided, however*, that in no event shall the
Claims Objection Bar Date be greater than 120 days after the Effective Date with respect to any
General Unsecured Claim in Class 7.

Claims Register: The official register of Claims maintained by the Bankruptcy Court.

1 Class: A category of holders of Claims or Interests pursuant to Bankruptcy Code section
2 1122(a).

3 Confirmation: The entry of the Confirmation Order on the docket of the Chapter 11 Case,
4 subject to all conditions specified having been satisfied or waived.

5 Confirmation Date: The date upon which the Bankruptcy Court enters the Confirmation
6 Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and
7 9021.

8 Confirmation Hearing: The hearing before the Bankruptcy Court pursuant to Bankruptcy
9 Code section 1128 on the motion for entry of the Confirmation Order.

10 Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant to
11 section 1129 of the Bankruptcy Code.

12 Consummation: The occurrence of the Effective Date.

13 Creditor: As defined in Bankruptcy Code Section 101(10).

14 Disclosure Statement: The disclosure statement for the Plan, supplemented or modified
15 from time to time, including all exhibits and schedules thereto, and as approved by the
16 Bankruptcy Court pursuant to Bankruptcy Code section 1125.

17 Disputed Claim: Any Claim or Interest that is not yet Allowed.

18 Disallowed Claim: A Claim against the Debtor that: (a) is not listed on the Schedules, or
19 is listed therein as contingent, unliquidated, disputed, or in an amount equal to zero, and whose
20 holder has failed to timely File a proof of claim; or (b) has been disallowed pursuant to order of
21 the Bankruptcy Court.

22 Distribution Agent: The Debtor or Reorganized Debtor shall serve as the Distribution
23 Agent under the Plan.

24 Distribution Record Date: The date for determining which holders of Claims are eligible
25 to receive distributions under the Plan, which shall be set by order of the Bankruptcy Court.

26 Effective Date: The date that is the first Business Day after the Confirmation Date on
27 which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions precedent to the
28 Effective Date have been satisfied or waived.

Entity: As defined in Bankruptcy Code section 101(15).

Event of Default: A material failure of the Debtor or Reorganized Debtor to fulfill the
obligations required under this Plan after the Effective Date.

Equity Interest: Any partnership, membership, or other equity interest in the Debtor or the
Reorganized Debtor.

Estate: The bankruptcy estate of the Debtor created pursuant to Bankruptcy Code

1 Sections 301 and 541 upon the commencement of the Chapter 11 Case.

2 Executory Contract: A contract or lease to which one or more of the Debtors is a party
3 that is subject to assumption or rejection under Bankruptcy Code sections 365 or 1123.

4 Fee Claim: A Claim by a Professional seeking an award by the Bankruptcy Court of
5 compensation for services rendered or reimbursement of expenses incurred through and including
6 the Confirmation Date under Bankruptcy Code sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4)
7 or 503(b)(5).

8 File: To file with the Bankruptcy Court or its authorized designee in this Chapter 11 Case

9 Final Decree: The decree contemplated under Bankruptcy Rule 3022.

10 Final Order: An order or judgment of the Bankruptcy Court or other court or competent
11 jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified, or
12 amended, and as to which the time to appeal or seek certiorari has expired and no appeal or
13 petition for certiorari has been timely taken, or as to which any appeal that has been taken or any
14 petition for certiorari that has been or may be filed has been resolved by the highest court to
15 which the order or judgment was appealed or from which certiorari was sought; provided,
16 however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure,
17 or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules, may be filed
18 relating to such order shall not prevent such order from being a Final Order.

19 GAP Claim: A Claim arising in the ordinary course of the Debtor's business or financial
20 affairs after the filing of the Involuntary Petition on July 2, 2015 but before the entry of the Relief
21 Order on August 10, 2015.

22 Initial Distribution Date: The date that is as soon as practicable after the Effective Date
23 but no later than thirty (30) days after the Effective Date, when distributions under the Plan shall
24 commence.

25 Impaired: With respect to any Class of Claims or Interests, a Claim or Interest that is not
26 Unimpaired.

27 Insider: As defined in Bankruptcy Code section 101(31).

28 Lien: As defined in Bankruptcy Code section 101(37).

Moonshell Settlement Agreement: The settlement agreement and mutual release entered
into by and between the parties to the adversary proceeding commenced against the Debtor and
certain affiliates by Moonshell, LLC and Venus Group, LLC (Adversary Case No. 15-13868-
ABL) as approved by the Bankruptcy Court.

New Equity Interests: The equity interest in the Reorganized Debtor to be authorized,
issued, or reserved on the Effective Date pursuant to the Plan, which shall constitute all of the
director or indirect equity of the Reorganized Debtor.

Painted Feather Lot: The residential real property located at 42 Painted Feather Way, Las
Vegas, Nevada 89139.

1 Periodic Distribution Date: The Distribution Date, as to the first distribution made by the
2 Distribution Agent, and thereafter, such Business Days as determined by the Distribution Agent.

3 Person: As defined in Bankruptcy Code section 101(41).

4 Petition Date: July 2, 2015.

5 Plan: The Plan Proponent's Chapter 11 plan as it may be altered, amended, modified, or
6 supplemented from time to time, including the Plan Supplement and all exhibits, supplements,
7 appendices, and schedules.

7 Plan Proponent: Kittusamy, LLP.

8 Priority Claim: Collectively, Priority Tax Claims and Other Priority Claims.

9 Priority Tax Claim: Any Claim of a Governmental Unit of the kind specified in
10 Bankruptcy Code section 507(a)(8).

11 Professional: A professional: (a) employed in the Chapter 11 Cases pursuant to a Final
12 Order in accordance with Bankruptcy Code sections 327 and 1103 and to be compensated for
13 services rendered prior to or on the Effective Date, pursuant to Bankruptcy Code sections 327,
14 328, 329, 330, and 331; or (b) for which compensation and reimbursement has been Allowed by
15 the Bankruptcy Court pursuant to Bankruptcy Code section 503(b)(4).

16 Professional Compensation: All accrued fees and expenses for services rendered by all
17 Professionals through and including the Confirmation Date to the extent any such fees and
18 expenses have not been paid and regardless of whether a fee application has been filed for such
19 fees and expenses. To the extent there is a Final Order denying some or all of a Professional's
20 fees or expenses, such denied amounts shall no longer be considered Professional Compensation.

18 Proof of Claim: A proof of Claim filed against the Debtor in the Chapter 11 Case.

19 Pro Rata: The proportion that an Allowed Claim in a particular Class bears to the
20 aggregate amount of Allowed Claims in that Class, or the proportion that a holder's portion of an
21 Allowed Claim of a particular Class bears to the aggregate Allowed Claim of that Class.

21 Rejection Damage Claim: A Claim against the Debtor arising under Bankruptcy Code
22 section 365 from the rejection by the Debtor of an unexpired lease or executory contract
23 Reorganized Debtor: The Debtor on and after the Effective Date, after giving effect to the Plan.

23 Reorganized Debtor: The Debtor, or any successor thereto, by merger, consolidation or
24 otherwise, on or after the Effective Date.

25 Schedules: The schedules of assets and liabilities, schedules of Executory Contracts and
26 Unexpired Leases, and statements of financial affairs filed by the Debtor pursuant to section 521
27 of the Bankruptcy Code and the Bankruptcy Rules.

27 Schedule of Assumed Agreements: The schedule of executory contracts and unexpired
28 leases that the Debtor will assume on the Effective Date, which is attached to the Plan as **Exhibit**
A-1.

1 Secured Claim: A Claim: (a) secured by a Lien on collateral to the extent of the value of
2 such collateral, as determined in accordance with Bankruptcy Code section 506(a) or (b) subject
3 to a valid right of setoff pursuant to Bankruptcy Code section 553.

4 Secured Tax Claim: Any Secured Claim that, absent its secured status, would be entitled
5 to priority in right of payment under Bankruptcy Code section 507(a)(8) (determined irrespective
6 of time limitations), including any related Secured Claim for penalties.

7 Unexpired Lease: A lease of nonresidential real property to which one or more of the
8 Debtors is a party that is subject to assumption or rejection under Bankruptcy Code sections 365
9 or 1123.

10 Unimpaired: With respect to a Class of Claims or Interests, a Class of Claims or Interests
11 that is unimpaired within the meaning of Bankruptcy Code section 1124.

12 U.S. Trustee: The Office of the United States Trustee for the District of Nevada.

13 U.S. Trustee Fees: Fees or charges assessed against the Estate pursuant to 28 U.S.C. §
14 1930.

15 Voting Deadline: That date which shall be the final date by which a holder of a Claim
16 may vote to accept or reject the Plan, which date is set forth in the Solicitation Procedures Order.

17 Voting Record Date: That date for determining which holders of Claims are entitled to
18 vote to accept or reject the Plan.

19 **B. Rules of Construction.**

20 1. The rules of construction in Bankruptcy Code section 102 apply to this Plan to the
21 extent not inconsistent herewith.

22 2. Bankruptcy Rule 9006(a) applies when computing any time period under the Plan.

23 3. A term that is used in this Plan and that is not defined in this Plan has the meaning
24 attributed to that term, if any, in the Bankruptcy Code or the Bankruptcy Rules.

25 4. The definition given to any term or provision in the Plan supersedes and controls
26 any different meaning that may be given to that term or provision in the Disclosure Statement.

27 5. Whenever it is appropriate from the context, each term, whether stated in the
28 singular or the plural, includes both the singular and the plural.

 6. Any reference to a document or instrument being in a particular form or on
particular terms means that the document or instrument will be substantially in that form or on
those terms. No material change to the form or terms may be made after the Confirmation Date
without the consent of any party materially negatively affected.

 7. Any reference to an existing document means the document as it has been, or may
be, amended or supplemented.

1 8. Unless otherwise indicated, the phrase “under the Plan” and similar words or
2 phrases refer to this Plan in its entirety rather than to only a portion of the Plan.

3 9. Unless otherwise specified, all references to Sections or Exhibits are references to
4 this Plan’s Sections or Exhibits.

5 10. The words “herein,” “hereto,” “hereunder,” and other words of similar import refer
6 to this Plan in its entirety rather than to only a particular portion hereof.

7 **II. ADMINISTRATIVE AND PRIORITY TAX CLAIMS**

8 **A. Administrative Claims.**

9 Each holder of an Allowed Administrative Claim shall be paid the full unpaid amount of
10 such Claim in Cash (a) on or as soon as reasonably practicable after the Effective Date, (b) if
11 such Claim is Allowed after the Effective Date, on or as soon as reasonably practicable after the
12 date such Claim is Allowed, or (c) upon such other terms as may be agreed upon by the Debtor
13 or the Reorganized Debtor, as applicable, and such holder or otherwise upon an order of the
14 Bankruptcy Court; *provided, however*, that Allowed Administrative Expense Claims
15 representing liabilities incurred by the Debtor in the ordinary course of business during the
16 Chapter 11 Case, other than those liabilities constituting or relating to commercial tort claims or
17 patent, trademark or copyright infringement claims, shall be paid in the ordinary course of
18 business in accordance with the terms and subject to the conditions of any agreements governing,
19 instruments evidencing, or other documents related to such transactions, and holders of claims
20 related to such ordinary course liabilities are not required to File or serve any request for
21 payment of such Administrative Claims.

22 **1. Bar Date for Administrative Claims.**

23 Except as otherwise provided in this Article II.A hereof, unless previously Filed, requests
24 for payment of Administrative Claims must be Filed and served on the Reorganized Debtor
25 pursuant to the procedures specified in the Confirmation Order and the notice of entry of the
26 Confirmation Order no later than 45 days after the Effective Date. Holders of Administrative
27 Claims that are required to File and serve a request for payment of such Administrative Claims,
28 including, without limitation, holders of Claims for liabilities constituting or relating to
commercial tort claims or patent, trademark or copyright infringement claims who assert that
such claims constitute Administrative Claims, that do not File and serve such a request by the
applicable Claims Bar Date shall be forever barred, estopped and enjoined from asserting such
Administrative Claims against the Debtor or the Reorganized Debtor or their Estates and
property and such Administrative Claims shall be deemed discharged as of the Effective Date.
Objections to such requests must be Filed and served on the Reorganized Debtor and the
requesting party by the later of (a) 120 days after the Effective Date and (b) 60 days after the
Filing of the applicable request for payment of Administrative Claims, if applicable, as the same
may be modified or extended from time to time by the Bankruptcy Court and/or on motion of a
party in interest approved by the Bankruptcy Court.

1 **2. Professional Compensation and Reimbursement Claims.**

2 Retained Professionals or other Entities asserting a Fee Claim for services rendered
3 before the Confirmation Date must File and serve on the Reorganized Debtor and such other
4 Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of
5 the Bankruptcy Court an application for final allowance of such Fee Claim no later than 60 days
6 after the Effective Date; *provided* that the Reorganized Debtor shall pay Retained Professionals
7 or other Entities in the ordinary course of business for any work performed after the
8 Confirmation Date. Objections to any Fee Claim must be Filed and served on the Reorganized
9 Debtor and the requesting party by 14 days after the Filing of the applicable request for payment
10 of the Fee Claim. To the extent necessary, the Confirmation Order shall amend and supersede
11 any previously entered order of the Bankruptcy Court regarding the payment of Fee Claims.
12 Each holder of an Allowed Fee Claim shall be paid by the Reorganized Debtor in Cash within
13 five (5) Business Days of entry of the order approving such Allowed Fee Claim.

14 **B. Priority Tax Claims.**

15 Each holder of an Allowed Priority Tax Claim due and payable on or prior to the
16 Effective Date shall receive, as soon as reasonably practicable after the Effective Date, on
17 account of such Claim: (1) Cash in an amount equal to the amount of such Allowed Priority Tax
18 Claim; (2) Cash in an amount agreed to by the Debtor or Reorganized Debtor, as applicable, and
19 such holder; *provided, however*, that such parties may further agree for the payment of such
20 Allowed Priority Tax Claim at a later date; or (3) at the option of the Debtor, Cash in an
21 aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a
22 period not more than five years after the Commencement Date, plus simple interest at the rate
23 required by applicable law on any outstanding balance from the Effective Date, or such lesser
24 rate as is agreed to by a particular taxing authority, pursuant to section 1129(a)(9)(C) of the
25 Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the
26 Effective Date, such claim shall be paid in full in cash in accordance with the terms of any
27 agreement between the Debtor and such holder, or as may be due and payable under applicable
28 non-bankruptcy law or in the ordinary course of business. The Debtor does not have any Priority
Tax Claims.

29 **III. DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS**

30 **A. Summary of Classifications and Claims.**

31 This Section classifies Claims against the Debtor – except for Administrative Claims and
32 Priority Tax Claims, which are not classified – for all purposes, including voting, confirmation,
33 and distribution under the Plan. A Claim against the Debtor is classified in a particular Class only
34 to the extent that the Claim falls within the Class description. To the extent that part of the Claim
35 against the Debtor falls within a different Class description, the Claim is classified in that
36 different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims and Priority Tax	Unimpaired	Not Entitled to Vote

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
	Claims		
Class 1	Secured Claims of Partap Investments, LLC (“ Partap ”) (formerly Meadows Bank Loan #3301009) and Moonshell, LLC (“ Moonshell ”)	Impaired	Entitled to Vote
Class 2	Secured Claims of Bank of Nevada, Partap (formerly Wells Fargo and Meadows Bank Loan #7500023), and FirstLease, Inc. (“ FirstLease ”)	Unimpaired	Not Entitled to Vote
Class 3	Other Secured Claims	Impaired	Entitled to Vote
Class 4	Administrative Convenience Claims	Impaired	Entitled to Vote
Class 5	General Unsecured Claims	Impaired	Entitled to Vote
Class 6	Equity Interests	Unimpaired	Not Entitled to Vote

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM AGAINST THE DEBTOR OR THE ESTATE THAT IS NOT AN ALLOWED CLAIM.

The treatment in this Plan is in full and complete satisfaction of the legal, contractual, and equitable rights (including any liens) that each entity holding a Claim may have against the Debtor or the Estate. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may have with or against the Debtor, the Estate, or their respective property. All distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Allowed Claim, if any.

B. Classification and Treatment of Claims and Equity Interests.

1. Class 1 – Secured Claims of Partap (formerly Meadows Bank Loan #3301009) and Moonshell.

Classification: Class 1 consists of the Secured Claims held by Partap (formerly Meadows Bank Loan #3301009) and Moonshell, which are secured by certain furnishings, fixtures, and equipment owned by the Debtor.

Treatment: The Class 1 Secured Claims are the subject to the Moonshell Settlement Agreement. Except as otherwise set forth in the Moonshell Settlement Agreement, the holders of Allowed Class 1 Claims shall be paid the full amount of the unpaid principal balances of their respective notes, exclusive of all default rate interest, late charges, and fees, amortized and paid over the remaining terms of such notes at the interest rates set forth therein. Any outstanding principal balance remaining at the end of the note terms shall be paid by the Debtor in one lump sum. Until paid in full, the holders of Allowed Class 1 Claims shall retain their respective

1 security interests in their collateral with the same priority and position as existed prior to the
2 Petition Date. Upon payment in full of an Allowed Class 1 Claim, ownership of all collateral for
3 such Claim shall vest in the Reorganized Debtor free and clear of all liens and encumbrances
4 regardless of whether any affiliate of the Debtor is jointly liable for payment of such Claim or a
5 party to any financing contract with the holder of such Claim. Upon the occurrence of an uncured
6 Event of Default, any holder of an Allowed Class 1 Claim shall have the option, but not the
7 obligation, to convert such Claim to a percentage ownership interest of the New Equity Interests
8 in the Reorganized Debtor to be calculated by dividing the amount of such Claim then
9 outstanding by the total outstanding amount of all Allowed Class 1 Claims and Allowed Class 3
10 Claims.

11 Voting: Class 1 is an Impaired Class, and holders of Class 1 Claims are entitled to vote to
12 accept or reject the Plan.

13 **2. Class 2 – Secured Claims of Bank of Nevada and Partap (formerly
14 Meadows Bank Loan #3301009).**

15 Classification: Class 2 consists of the Secured Claims of Bank of Nevada and Partap
16 (formerly Meadows Bank Loan #3301009), which were both secured by the Painted Feather Lot
17 among other collateral.

18 Treatment: The Class 2 Claims have previously been paid in full from the proceeds of the
19 post-petition sale of the Painted Feather Lot and from the proceeds of the post-petition sale of
20 certain accounts receivable of the Debtor as previously approved by the Bankruptcy Court.

21 Voting: Class 2 is an Unimpaired Class, and holders of Class 2 Claims are deemed to
22 have accepted this Plan, and are not entitled to vote on this Plan.

23 **3. Class 3 – Other Secured Claims.**

24 Classification: Class 3 consists of all other Secured Claims against the Estate.

25 Treatment: The holders of Allowed Class 3 Claims shall be paid the full amount of the
26 unpaid principal balances of such Claims, exclusive of all default rate interest, late charges, and
27 fees, upon the terms and conditions and at the interest rates set forth in their respective financing
28 agreements; provided, however, that all unpaid principal and non-default rate interest accrued
prior the Petition Date shall be paid on the ninetieth (90th) day after the Effective Date of the Plan.
Until paid in full, the holders of Allowed Class 3 Claims shall retain their respective security
interests in their collateral with the same priority and position as existed prior to the Petition Date.
Upon payment in full of an Allowed Class 3 Claim, ownership of all collateral for such Claim
shall vest in the Reorganized Debtor free and clear of all liens and encumbrances regardless of
whether any affiliate of the Debtor is jointly liable for payment of such Claim or a party to any
financing contract with the holder of such Claim. Upon the occurrence of an uncured Event of
Default, any holder of an Allowed Class 3 Claim shall have the option, but not the obligation, to
convert such Claim to a percentage ownership interest of the New Equity Interests in the
Reorganized Debtor to be calculated by dividing the amount of such Claim then outstanding by
the total outstanding amount of all Allowed Class 1 Claims and Allowed Class 3 Claims.

Voting: Class 3 is an Impaired Class, and holders of Class 3 Claims are entitled to vote to

1 accept or reject the Plan.

2

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4. Class 4 – Administrative Convenience Claims.

4

Classification: Class 4 consists of all Allowed Administrative Convenience Claims, which include all unsecured Allowed Claims against the Debtor in amounts of \$5,000.00 or less.

5

6

Treatment: The holders of Allowed Class 4 General Unsecured Administrative Convenience Claims will be paid 10% of their Allowed Class 4 Claims, without interest, on the ninetieth (90th) day after the Effective Date in full and final satisfaction of such Claims.

7

8

Voting: Class 4 is an Impaired Class, and holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

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5. Class 5 – General Unsecured Claims.

11

Classification: Class 5 consists of all General Unsecured Claims.

12

Treatment: The holders of Allowed Class 5 General Unsecured Claims will be paid their pro rata share of the Reorganized Debtor's Available Cash Flow over a period of five (5) years in quarterly payments beginning on the last Business Day of the first quarter that begins ninety (90) days after the Effect Date. The total amount of all such payments shall not be less than \$1,000,000. The Debtor's cumulative Available Cash Flow during such five (5) year period is projected to be approximately \$1,500,000, which the Debtor estimates would be sufficient to pay approximately 12% of all estimated Allowed Class 7 General Unsecured Claims without interest.

13

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16

Voting: Class 5 is an Impaired Class, and holders of Class 5 Claims are entitled to vote to accept or reject the Plan.

17

18

6. Class 6 – Equity Interests in the Debtor.

19

Classification: Class 6 consists of the holders of all direct and indirect Equity Interests in the Debtor.

20

21

Treatment: On the Effective Date, the New Equity Interests in the Reorganized Debtor shall be issued to and held by Prem K. Kittusamy, M.D. (49%) and Bhuvana P. Kittusamy, M.D. (51%).

22

23

Voting: Holders of Class 6 Equity Interests are unimpaired, are deemed to have accepted this Plan, and are not entitled to vote on this Plan.

24

25

IV. ACCEPTANCE OR REJECTION OF THE PLAN

26

A. Deemed Acceptance of the Plan.

27

Classes 1, 2, and 6 are Unimpaired under the Plan and are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

28

1 **B. Voting Classes.**

2 Each holder of an Allowed Claim as of the Record Date in each of the Voting Classes
3 (Classes 3, 4, and 5) shall be entitled to vote to accept or reject the Plan.

4 **C. Acceptance by Impaired Classes of Claims.**

5 Pursuant to section 1126(c) of the Bankruptcy Code and except as otherwise provided in
6 section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if the
7 holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed
8 Claims in such Class actually voting have voted to accept the Plan.

8 **D. Cramdown.**

9 The Debtor requests Confirmation of the Plan under section 1129(b) of the Bankruptcy
10 Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of
11 the Bankruptcy Code. The Debtor reserves the right to modify the Plan to the extent, if any, that
12 Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

11 **E. Elimination of Vacant Classes.**

12 Any Class of Claims that is not occupied as of the date of commencement of the
13 Confirmation Hearing by the holder of an Allowed Claim or a Claim temporarily Allowed under
14 Bankruptcy Rule 3018 (*i.e.*, no Ballots are cast in a Class entitled to vote on the Plan) shall be
15 deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for
16 purposes of determining acceptances or rejection of the Plan by such Class pursuant to section
17 1129(a)(8) of the Bankruptcy Code.

17 **V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

18 **A. Assumption of Executory Contracts and Unexpired Leases.**

19 **1. Assumption of Agreements.**

20 On the Effective Date, the Reorganized Debtor shall assume all executory contracts and
21 unexpired leases of the Debtor listed on the Schedule of Assumed Agreements.

22 The Debtor reserves the right to amend the Schedule of Assumed Agreements at any time
23 prior to the Effective Date to: (a) delete any executory contract or unexpired lease and provide for
24 its rejection under the Plan or otherwise, or (b) add any executory contract or unexpired lease and
25 provide for its assumption under the Plan. The Debtor will provide notice of any amendment to
26 the Schedule of Assumed Agreements to the party or parties to the agreement affected by the
27 amendment.

26 The Confirmation Order will constitute a Court order approving the assumption, on the
27 Effective Date, of all executory contracts and unexpired leases identified on the Schedule of
28 Assumed Agreements.

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2. Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan, is identified as the Cure Payment on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in cash, ten (10) days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any dispute regarding (a) the amount of any Cure Payment, (b) the ability of the Reorganized Debtor to provide “adequate assurance of future performance” within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, and/or (c) any other matter pertaining to assumption.

Pending the Court’s ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the Reorganized Debtor unless otherwise agreed by the parties or ordered by the Court.

3. Objections to Assumption/Cure Payment Amounts.

Any entity that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure Payment) must file with the Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served by the deadline fixed by the Court for such objection. Any entity that fails to timely File and serve such a statement and declaration will be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by an entity that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination as to the amount of any cure and compensation due under the executory contract or unexpired lease, and that the Reorganized Debtor has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

4. Resolution of Claims Relating to Contracts and Leases.

Payment of the Cure Payment established under the Plan, by the Confirmation Order or by any other order of the Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or post-petition arrearage or other Claim against the Debtor (including any asserted in a Filed proof of claim or listed in the Schedules) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the Schedules). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed, without further order of the Court or action by any party.

B. Rejections of Executory Contracts and Unexpired Leases.

1. Rejected Agreements.

On the Effective Date, all executory contracts and unexpired leases that (i) have not been previously assumed or rejected and (ii) that are not set forth on the Schedule of Assumed

1 Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired
2 leases that have been previously assumed or assumed and assigned pursuant to an order of the
3 Court shall not be affected by the Plan. The Confirmation Order will constitute a Court order
4 approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to
5 be rejected under the Plan.

6 **2. Bar Date for Rejection Damage Claims.**

7 Any Rejection Damage Claim or other Claim against the Debtor for damages arising from
8 the rejection under the Plan of an executory contract or unexpired lease must be Filed and served
9 upon counsel to the Reorganized Debtor within 30 days after the mailing of notice of the
10 occurrence of the Effective Date. Any such Claims that are not timely Filed and served will be
11 forever barred and unenforceable against the Debtor, the Reorganized Debtor, the Estate, and their
12 respective property, and entities holding such Claims will be barred from receiving any
13 distributions under the Plan on account of such untimely Claims.

14 **3. Post-petition Contracts and Leases.**

15 Except as expressly provided in the Plan or the Confirmation Order, all contracts, leases,
16 and other agreements that the Debtor entered into after the Petition Date will be retained by the
17 Reorganized Debtor and will remain in full force and effect following the Effective Date.

18 **VI. MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN**

19 **A. Means of Effectuating the Plan.**

20 **1. Funding for the Plan.**

21 The funds necessary to satisfy the Reorganized Debtor's obligations and to ensure the
22 Reorganized Debtor's continuing performance under the Plan after the Effective Date will be
23 obtained from: (i) cash on hand; (ii) the proceeds from the sale of the Painted Feather Lot;
24 (iii) collection of accounts receivable; (iv) cash generated from post-Effective Date operations of
25 the Reorganized Debtor; (v) any reserves established by the Debtor; and (vi) any other
26 contributions or financing (if any) that the Debtor may obtain on or after the Effective Date.

27 **2. New Corporate Existence.**

28 The Debtor shall continue to exist after the Effective Date as a separate corporate entity
or limited liability partnership, with all the powers of a corporation or limited liability
partnership pursuant to laws of the State of Nevada and pursuant to the certificate of
incorporation and bylaws (or other formation documents) in effect prior to the Effective Date,
except to the extent such certificate of incorporation or bylaws (or other formation documents)
are amended by or in connection with the Plan or otherwise and, to the extent such documents
are amended, such documents are deemed to be authorized pursuant hereto and without the need
for any other approvals, authorizations, actions or consents.

3. Vesting of Assets.

Except as otherwise provided herein or in any agreement, instrument or other document
relating thereto, on or after the Effective Date, all property of the Estate (including, without

1 limitation, Causes of Action) and any property acquired by the Debtor pursuant hereto shall vest
2 in the Reorganized Debtor, free and clear of all liens, Claims, charges or other encumbrances.
3 Except as may be provided herein, on and after the Effective Date, the Reorganized Debtor may
4 operate its business and may use, acquire or dispose of property and compromise or settle any
5 Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of
6 the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the
7 Plan and the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor shall
8 pay the charges that it incurs after the Effective Date for Retained Professionals' fees,
9 disbursements, expenses or related support services (including reasonable fees relating to the
10 preparation of Retained Professional fee applications) without application to the Bankruptcy
11 Court.

8 **4. Issuance and Distribution of New Equity Interests.**

9 On or immediately after the Effective Date, the Reorganized Debtor shall issue or reserve
10 for issuance all securities required to be issued pursuant hereto. The New Equity Interests issued
11 under the Plan are issued under Section 1145 of the Bankruptcy Code and will be freely tradable,
12 subject to any applicable restrictions of the federal and state securities laws. All of the New
13 Equity Interests issued pursuant to the Plan shall be duly authorized, validly issued and, if
14 applicable, fully paid and non-assessable. Each distribution and issuance referred to in Article
15 VII hereof shall be governed by the terms and conditions set forth herein applicable to such
16 distribution or issuance and by the terms and conditions of the instruments evidencing or relating
17 to such distribution or issuance, which terms and conditions shall bind each Entity receiving such
18 distribution or issuance.

15 **5. Securities Registration Exemption.**

16 The New Equity Interests to be issued to the Debtor's Equity Interest holders will be
17 issued without registration under the Securities Act or any similar federal, state or local law in
18 reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code.

19 **6. Certificate of Incorporation and Bylaws.**

20 The certificates of incorporation and bylaws (or other formation documents relating to
21 limited liability partnerships) of the Debtor shall be amended as may be required to be consistent
22 with the provisions of the Plan and the Bankruptcy Code or as otherwise required by, and in a
23 form reasonably acceptable to the Reorganized Debtor. On or as soon as reasonably practicable
24 after the Effective Date, the Reorganized Debtor shall file a new certificate of incorporation or
25 organization with the secretary of state (or equivalent state officer or entity), which, as required
26 by section 1123(a)(6) of the Bankruptcy Code, shall prohibit the issuance of non-voting
27 securities. After the Effective Date, the Reorganized Debtor may file a new, or amend and
28 restate its existing, certificate of incorporation, charter and other constituent documents as
permitted by the relevant state corporate law.

26 **7. Effectuating Documents; Further Transactions; Exemption from 27 Certain Transfer Taxes.**

28 The Debtor or the Reorganized Debtor, as applicable, may take all actions to execute,
deliver, File or record such contracts, instruments, releases and other agreements or documents

1 and take such actions as may be necessary or appropriate to effectuate and implement the
2 provisions of the Plan, including, without limitation, the distribution of the securities to be issued
3 pursuant hereto in the name of and on behalf of the Reorganized Debtor, without the need for
4 any approvals, authorizations, actions or consents except for those expressly required pursuant
hereto. The secretary and any assistant secretary of the Debtor shall be authorized to certify or
attest to any of the foregoing actions.

5 Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant
6 to the Plan that would otherwise require approval of the shareholders, directors or members of
7 the Debtor shall be deemed to have been so approved and shall be in effect prior to, on or after
8 the Effective Date (as appropriate) pursuant to applicable law and without any requirement of
further action by the shareholders, directors, managers or partners of the Debtor, or the need for
any approvals, authorizations, actions or consents.

9 Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant
10 hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in
11 the United States, and the Confirmation Order shall direct the appropriate state or local
12 governmental officials or agents to forgo the collection of any such tax or governmental
13 assessment and to accept for filing and recordation instruments or other documents pursuant to
14 such transfers of property without the payment of any such tax or governmental assessment.
Such exemption specifically applies, without limitation, to all documents necessary to evidence
and implement the provisions of and the distributions to be made under the Plan, including the
issuance of New Equity Interests.

15 **VII. DISTRIBUTIONS UNDER THE PLAN**

16 **A. Distributions for Claims Allowed as of the Effective Date.**

17 Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant
18 parties, the Reorganized Debtor shall make initial distributions under the Plan on account of
19 Claims Allowed before the Effective Date on or as soon as practicable after the Initial
20 Distribution Date; *provided, however*, that payments on account of General Unsecured Claims
that become Allowed Claims on or before the Effective Date may commence on the Effective
Date.

21 **B. Distributions on Account of Claims Allowed After the Effective Date.**

22 **1. Payments and Distributions on Disputed Claims.**

23 Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant
24 parties, distributions under the Plan on account of a Disputed Claim that becomes an Allowed
25 Claim after the Effective Date shall be made on the first Periodic Distribution Date after the
Disputed Claim becomes an Allowed Claim.

26 **2. Special Rules for Distributions to Holders of Disputed Claims.**

27 Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to
28 by the relevant parties no partial payments and no partial distributions shall be made with respect
to a Disputed Claim until all such disputes in connection with such Disputed Claim have been

1 resolved by settlement or Final Order. In the event that there are Disputed Claims requiring
2 adjudication and resolution, the Reorganized Debtor shall establish appropriate reserves for
3 potential payment of such Claims.

4 **C. Delivery and Distributions and Undeliverable or Unclaimed Distributions.**

5 **1. Record Date for Distributions.**

6 On the Distribution Record Date, the Claims Register shall be closed and any party
7 responsible for making distributions shall instead be authorized and entitled to recognize only
8 those holders of Claims listed on the Claims Register as of the close of business on the
9 Distribution Record Date. If a Claim is transferred twenty (20) or fewer days before the
10 Distribution Record Date, the Distribution Agent shall make distributions to the transferee only
11 to the extent practical and, in any event, only if the relevant transfer form contains an
12 unconditional and explicit certification and waiver of any objection to the transfer by the
13 transferor.

14 **2. Delivery of Distributions in General.**

15 Except as otherwise provided herein, the Debtor or the Reorganized Debtor, as
16 applicable, shall make distributions to holders of Allowed Claims at the address for each such
17 holder as indicated on the Debtor's records as of the date of any such distribution; *provided,*
18 *however,* that the manner of such distributions shall be determined at the discretion of the Debtor
19 or the Reorganized Debtor, as applicable; and *provided further,* that the address for each holder
20 of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by
21 that holder.

22 **3. Distributions by Distribution Agents.**

23 The Debtor and the Reorganized Debtor, as applicable, shall have the authority, in their
24 sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the
25 distributions required hereunder. As a condition to serving as a Distribution Agent, a Distribution
26 Agent must (a) affirm its obligation to facilitate the prompt distribution of any documents, (b)
27 affirm its obligation to facilitate the prompt distribution of any recoveries or distributions
28 required hereunder and (c) waive any right or ability to setoff, deduct from or assert any lien or
encumbrance against the distributions required hereunder that are to be distributed by such
Distribution Agent.

The Distribution Agents, and their respective agents, employees, officers, directors,
professionals, attorneys, accountants, advisors, representatives and principals (collectively, the
"Indemnified Parties") shall be indemnified and held harmless by the Debtor and the
Reorganized Debtor, to the fullest extent permitted by law for any losses, claims, damages,
liabilities and expenses, including, without limitation, reasonable attorneys' fees, disbursements
and related expenses which the Indemnified Parties may incur or to which the Indemnified
Parties may become subject in connection with any action, suit, proceeding or investigation
brought or threatened against one or more of the Indemnified Parties on account of the acts or
omissions of the Distribution Agents solely in their capacity as such; provided, however, that the
Debtor and the Reorganized Debtor shall not be liable to indemnify any Indemnified Party for
any act or omission constituting gross negligence, fraud or reckless, intentional or willful

1 misconduct. The foregoing indemnity in respect of any Indemnified Party shall survive the
2 termination of such Indemnified Party from the capacity for which they are indemnified.

3 **4. Minimum Distributions.**

4 Notwithstanding anything herein to the contrary, the Reorganized Debtor shall not be
5 required to make distributions or payments of less than \$25 (whether Cash or otherwise) and
6 shall not be required to make partial distributions or payments of fractions of dollars. Whenever
7 any payment or distribution of a fraction of a dollar under the Plan would otherwise be called for,
8 the actual payment or distribution will reflect a rounding of such fraction to the nearest whole
9 dollar (up or down), with half dollars or less being rounded down.

10 No Distribution Agent shall have any obligation to make a distribution on account of an
11 Allowed Claim if: (a) the aggregate amount of all distributions authorized to be made on the
12 Periodic Distribution Date in question is or has an economic value less than \$5,000, unless such
13 distribution is a final distribution; or (b) the amount to be distributed to the specific holder of an
14 Allowed Claim on such Periodic Distribution Date does not constitute a final distribution to such
15 holder and is or has an economic value less than \$25, which shall be treated as an undeliverable
16 distribution under Article VII.C.5 below.

17 **5. Undeliverable Distributions.**

18 **a. Holding of Undeliverable Distributions.**

19 If any distribution to a holder of an Allowed Claim made in accordance herewith is
20 returned to the Reorganized Debtor (or its Distribution Agent) as undeliverable, no further
21 distributions shall be made to such holder unless and until the Reorganized Debtor (or their
22 Distribution Agent) are notified in writing of such holder's then current address, at which time
23 all currently and due missed distributions shall be made to such holder on the next Periodic
24 Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized
25 Debtor, subject to Article VII.C.5(b) hereof, until such time as any such distributions become
26 deliverable. Undeliverable distributions shall not be entitled to any additional interest, dividends
27 or other accruals of any kind on account of their distribution being undeliverable.

28 **b. Failure to Claim Undeliverable Distributions.**

No later than 210 days after the Effective Date, the Reorganized Debtor shall File with
the Bankruptcy Court a list of the holders of undeliverable distributions. This list shall be
maintained and updated periodically in the sole discretion of the Reorganized Debtor for as long
as the Chapter 11 Case stays open. Any holder of an Allowed Claim, irrespective of when a
Claim becomes an Allowed Claim, that does not notify the Reorganized Debtor of such holder's
then current address in accordance herewith within the latest of (i) one year after the Effective
Date, (ii) 60 days after the attempted delivery of the undeliverable distribution and (iii) 180 days
after the date such Claim becomes an Allowed Claim shall have its Claim for such undeliverable
distribution discharged and shall be forever barred, estopped and enjoined from asserting any
such Claim against the Reorganized Debtor or their property. In such cases, (i) any Cash held for
distribution on account of Allowed Claims shall be redistributed to holders of Allowed Claims in
the applicable Class on the next Periodic Distribution Date and (ii) any Cash held for distribution
to other creditors shall be deemed unclaimed property under section 347(b) of the Bankruptcy

1 Code and become property of the Reorganized Debtor, free of any Claims of such holder with
2 respect thereto. Nothing contained herein shall require the Reorganized Debtor to attempt to
locate any holder of an Allowed Claim.

3 **c. Failure to Present Checks.**

4 Checks issued by the Distribution Agent on account of Allowed Claims shall be null and
5 void if not negotiated within 180 days after the issuance of such check. In an effort to ensure that
6 all holders of Allowed Claims receive their allocated distributions, no later than 180 days after
7 the issuance of such checks, the Reorganized Debtor shall File with the Bankruptcy Court a list
8 of the holders of any un-negotiated checks. This list shall be maintained and updated periodically
9 in the sole discretion of the Reorganized Debtor for as long as the Chapter 11 Case stay open.
10 Requests for reissuance of any check shall be made directly to the Distribution Agent by the
11 holder of the relevant Allowed Claim with respect to which such check originally was issued.
12 Any holder of an Allowed Claim holding an un-negotiated check that does not request reissuance
13 of such un-negotiated check within 240 days after the date of mailing or other delivery of such
check shall have its Claim for such un-negotiated check discharged and be discharged and
forever barred, estopped and enjoined from asserting any such Claim against the Reorganized
Debtor or its property. In such cases, any Cash held for payment on account of such Claims shall
be property of the Reorganized Debtor, free of any Claims of such holder with respect thereto.
Nothing contained herein shall require the Reorganized Debtor to attempt to locate any holder of
an Allowed Claim.

14 **D. Compliance with Tax Requirements/Allocations.**

15 In connection with the Plan, to the extent applicable, the Reorganized Debtor shall
16 comply with all tax withholding and reporting requirements imposed on them by any
17 governmental unit, and all distributions pursuant hereto shall be subject to such withholding and
18 reporting requirements. Notwithstanding any provision in the Plan to the contrary, the
19 Reorganized Debtor and the Distribution Agent shall be authorized to take all actions necessary
20 or appropriate to comply with such withholding and reporting requirements, including
21 liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to
pay applicable withholding taxes, withholding distributions pending receipt of information
necessary to facilitate such distributions or establishing any other mechanisms they believe are
reasonable and appropriate. The Reorganized Debtor reserves the right to allocate all
distributions made under the Plan in compliance with all applicable liens and encumbrances.

22 For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be
23 allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid
interest that accrued on such Claims.

24 **E. Timing and Calculation of Amounts to Be Distributed.**

25 On the Initial Distribution Date (or if a Claim is not an Allowed Claim on the Effective
26 Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably
27 practicable thereafter), each holder of an Allowed Claim against the Debtor shall receive the full
28 amount of the distributions that the Plan provides for Allowed Claims in the applicable Class.
Except as otherwise provided herein, holders of Claims shall not be entitled to interest, dividends
or accruals on the distributions provided for herein, regardless of whether such distributions are

1 delivered on or at any time after the Effective Date.

2 **F. Setoffs.**

3 The Debtor and the Reorganized Debtor may withhold (but not setoff except as set forth
4 below) from the distributions called for hereunder on account of any Allowed Claim an amount
5 equal to any claims, equity interests, rights and Causes of Action of any nature that the Debtor or
6 the Reorganized Debtor may hold against the holder of any such Allowed Claim. In the event
7 that any such claims, equity interests, rights and Causes of Action of any nature that the Debtor
8 or the Reorganized Debtor may hold against the holder of any such Allowed Claim are
9 adjudicated by Final Order or otherwise resolved, the Debtor may, pursuant to section 553 of the
10 Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the
11 distributions to be made pursuant hereto on account of such Allowed Claim (before any
12 distribution is made on account of such Allowed Claim), the amount of any adjudicated or
13 resolved claims, equity interests, rights and Causes of Action of any nature that the Debtor or the
14 Reorganized Debtor may hold against the holder of any such Allowed Claim, but only to the
15 extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the
16 allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the
17 Reorganized Debtor of any such claims, equity interests, rights and Causes of Action that the
18 Debtor or the Reorganized Debtor may possess against any such holder, except as specifically
19 provided herein.

20 **VIII. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND
21 DISPUTED CLAIMS**

22 **A. Resolution of Disputed Claims.**

23 **1. Allowance of Claims.**

24 After the Effective Date, the Reorganized Debtor shall have and shall retain any and all
25 rights and defenses that the Debtor had with respect to any Claim, except with respect to any
26 Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order
27 entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the
28 Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is
deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a
Final Order, including, without limitation, the Confirmation Order, in the Chapter 11 Case
allowing such Claim. All settled claims approved prior to the Effective Date pursuant to a Final
Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding
on all parties.

2. Prosecution of Objections to Claims.

After the Confirmation Date the Debtor or the Reorganized Debtor, as applicable, shall
have the exclusive authority to File objections to Claims, settle, compromise, withdraw or litigate
to judgment objections to any and all Claims, regardless of whether such Claims are in a Class or
otherwise; provided, however, this provision shall not apply to Fee Claims. From and after the
Effective Date, the Reorganized Debtor may settle or compromise any Disputed Claim without
any further notice to or action, order or approval of the Bankruptcy Court. The Reorganized
Debtor shall have the sole authority to administer and adjust the Claims Register to reflect any

1 such settlements or compromises without any further notice to or action, order or approval of the
2 Bankruptcy Court.

3 **3. Claims Estimation.**

4 After the Confirmation Date the Debtor or the Reorganized Debtor, as applicable, may, at
5 any time, request that the Bankruptcy Court estimate (a) any Disputed Claim pursuant to
6 applicable law and (b) any contingent or unliquidated Claim pursuant to applicable law,
7 including, without limitation, section 502(c) of the Bankruptcy Code, regardless of whether the
8 Debtor or the Reorganized Debtor has previously objected to such Claim or whether the
9 Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain
10 jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim, contingent Claim
11 or unliquidated Claim, including during the litigation concerning any objection to any Claim or
12 during the pendency of any appeal relating to any such objection. Notwithstanding any provision
13 otherwise in the Plan, a Claim that has been expunged from the Claims Register but that is
14 subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at
15 zero dollars, unless otherwise ordered by the Bankruptcy Court. All of the aforementioned
16 Claims and objection, estimation and resolution procedures are cumulative and not exclusive of
17 one another. Claims may be estimated and subsequently compromised, settled, withdrawn or
18 resolved by any mechanism approved by the Bankruptcy Court.

13 **4. Expungement or Adjustment to Claims without Objection.**

14 Any Claim that has been paid, satisfied or superseded may be expunged on the Claims
15 Register by the Reorganized Debtor, and any Claim that has been amended may be adjusted
16 thereon by the Reorganized Debtor, in both cases without a claims objection having to be Filed
17 and without any further notice to or action, order or approval of the Bankruptcy Court.

17 **5. Deadline to File Objections to Claims.**

18 Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

19 **B. Disallowance of Claims.**

20 All Claims of any Entity from which property is sought by the Debtor or the Reorganized
21 Debtor under section 542, 543, 550 or 553 of the Bankruptcy Code or that the Debtor or the
22 Reorganized Debtor allege is a transferee of a transfer that is avoidable under section 522(f),
23 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code shall be disallowed if (i) the
24 Entity, on the one hand, and the Debtor or the Reorganized Debtor, on the other hand, agree or
25 the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to
26 turnover any property or monies under any of the aforementioned sections of the Bankruptcy
27 Code and (ii) such Entity or transferee has failed to turnover such property by the date set forth
28 in such agreement or Final Order.

26 **EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM
27 AND PROOFS OF INTEREST FILED AFTER THE APPLICABLE CLAIMS BAR
28 DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE
EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER
OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH**

1 **CLAIMS AND EQUITY INTERESTS MAY NOT RECEIVE ANY DISTRIBUTIONS ON**
2 **ACCOUNT OF SUCH CLAIMS AND EQUITY INTERESTS, UNLESS SUCH LATE**
3 **PROOF OF CLAIM OR EQUITY INTEREST IS DEEMED TIMELY FILED BY A**
4 **BANKRUPTCY COURT ORDER ON OR BEFORE THE LATER OF (1) THE**
5 **CONFIRMATION HEARING AND (2) 45 DAYS AFTER THE APPLICABLE CLAIMS**
6 **BAR DATE.**

7 **C. Amendments to Claims.**

8 On or after the Effective Date, except as otherwise provided herein, a Claim may not be
9 Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized
10 Debtor, and, to the extent such prior authorization is not received, any such new or amended
11 Claim Filed shall be deemed disallowed and expunged without any further notice to or action,
12 order or approval of the Bankruptcy Court.

13 **IX. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF**
14 **THE PLAN**

15 **A. Conditions Precedent to Confirmation.**

16 It shall be a condition to Confirmation hereof that all provisions, terms and conditions
17 hereof are approved in the Confirmation Order.

18 **B. Conditions Precedent to Consummation.**

19 It shall be a condition to Consummation of the Plan that the following conditions shall
20 have been satisfied or waived pursuant to the provisions of Article IX.C hereof.

21 1. The Plan and all Plan Supplement documents, including any amendments,
22 modifications or supplements thereto, shall be reasonably acceptable to the Debtor.

23 2. The Confirmation Order shall have been entered and become a Final Order in a
24 form and in substance reasonably satisfactory to the Debtor. The Confirmation Order shall
25 provide that, among other things, the Debtor or the Reorganized Debtor, as appropriate, is
26 authorized and directed to take all actions necessary or appropriate to consummate the Plan,
27 including, without limitation, entering into, implementing and consummating the contracts,
28 instruments, releases, leases, indentures and other agreements or documents created in
connection with or described in the Plan.

3. All actions, documents, certificates and agreements necessary to implement this
Plan shall have been effected or executed and delivered to the required parties and, to the extent
required, Filed with the applicable governmental units in accordance with applicable laws.

C. Waiver of Conditions.

1 The conditions to Confirmation of the Plan and to Consummation of the Plan set forth in
2 this Article IX may be waived by the Debtor without notice, leave or order of the Bankruptcy
3 Court or any formal action other than proceeding to confirm or consummate the Plan.

4 **D. Effect of Non Occurrence of Conditions to Consummation.**

5 If the Consummation of the Plan does not occur, the Plan shall be null and void in all
6 respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a
7 waiver or release of any claims by or Claims against or Equity Interests in the Debtor; (2)
8 prejudice in any manner the rights of the Debtor, any holders or any other Entity; or (3)
9 constitute an admission, acknowledgment, offer or undertaking by the Debtor, any holders or any
10 other Entity in any respect.

11 **X. SETTLEMENT RELEASE AND RELATED PROVISIONS**

12 **A. Compromise and Settlement.**

13 Notwithstanding anything contained herein to the contrary, the allowance, classification
14 and treatment of all Allowed Claims and their respective distributions and treatments hereunder,
15 takes into account the relative priority and rights of the Claims and the Equity Interests in each
16 Class in connection with any contractual, legal and equitable subordination rights relating thereto
17 whether arising under general principles of equitable subordination, section 510(b) and (c) of the
18 Bankruptcy Code or otherwise. As of the Effective Date, any and all contractual, legal and
19 equitable subordination rights, whether arising under general principles of equitable
20 subordination, section 510(b) and (c) of the Bankruptcy Code or otherwise, relating to the
21 allowance, classification and treatment of all Allowed Claims and their respective distributions
22 and treatments hereunder are settled, compromised, terminated and released pursuant hereto.

23 The Confirmation Order will constitute the Bankruptcy Court's finding and determination
24 that the settlements reflected in the Plan are (1) in the best interests of the Debtor, its estate and
25 all holders of Claims and Equity Interests, (2) fair, equitable and reasonable, (3) made in good
26 faith and (4) approved by the Bankruptcy Court pursuant to section 363 of the Bankruptcy Code
27 and Bankruptcy Rule 9019. The Confirmation Order shall approve the releases by all Entities of
28 all such contractual, legal and equitable subordination rights or Causes of Action that are
satisfied, compromised and settled pursuant hereto.

29 In accordance with the provisions of this Plan, including Article VIII hereof, and
30 pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further
31 notice to or action, order or approval of the Bankruptcy Court, after the Effective Date (1) the
32 Reorganized Debtor may, in its sole and absolute discretion, compromise and settle Claims
33 against them and (2) the Reorganized Debtor may, in its sole and absolute discretion,
34 compromise and settle Causes of Action against other Entities.

35 **B. Preservation of Rights of Action.**

36 **1. Maintenance of Causes of Action.**

37 Except as otherwise provided in the Plan or Confirmation Order, after the Effective Date,
38 the Reorganized Debtor shall retain all rights to commence, pursue, litigate or settle, as

1 appropriate, any and all Causes of Action, whether existing as of the Commencement Date or
2 thereafter arising, in any court or other tribunal including, without limitation, in an adversary
3 proceeding Filed in the Chapter 11 Case.

4 **2. Preservation of All Causes of Action Not Expressly Settled or Released.**

5 Unless a claim or Cause of Action against a holder of a Claim or an Equity Interest or
6 other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or
7 any Final Order (including, without limitation, the Confirmation Order), the Debtor expressly
8 reserves such claim or Cause of Action for later adjudication by the Debtor or the Reorganized
9 Debtor (including, without limitation, claims and Causes of Action not specifically identified or
10 of which the Debtor may presently be unaware or which may arise or exist by reason of
11 additional facts or circumstances unknown to the Debtor at this time or facts or circumstances
12 that may change or be different from those the Debtor now believe to exist) and, therefore, no
13 preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral
14 estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or
15 laches shall apply to such claims or Causes of Action upon or after the Confirmation or
16 Consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation
17 Order, or any other Final Order (including, without limitation, the Confirmation Order). In
18 addition, the Debtor and the Reorganized Debtor expressly reserve the right to pursue or adopt
19 any claims alleged in any lawsuit in which the Debtor is a plaintiff, defendant or an interested
20 party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such
21 lawsuits.

22 **XI. EFFECT OF PLAN CONFIRMATION BINDING NATURE OF THE PLAN**

23 THIS PLAN SHALL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY
24 INTERESTS AND INTERCOMPANY INTERESTS IN THE DEBTORS TO THE MAXIMUM
25 EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING WHETHER OR
26 NOT SUCH HOLDER (I) WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN
27 PROPERTY UNDER THE PLAN, (II) HAS FILED A PROOF OF CLAIM OR INTEREST IN
28 THE CHAPTER 11 CASES OR (III) FAILED TO VOTE TO ACCEPT OR REJECT THE
PLAN OR VOTED TO REJECT THE PLAN.

A. Discharge Injunction.

The rights afforded in the Plan and the treatment of all Claims shall be in exchange for
and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever
arising prior to the Effective Date against the Debtor and the Estate, including any interest
accrued on such Claims from and after the Petition Date. Except as otherwise provided in the
Plan or the Confirmation Order, on the Effective Date, (a) the Debtor, the Estate, the
Reorganized Debtor and their respective property are discharged and released hereunder to the
fullest extent permitted by Bankruptcy Code sections 524 and 1141 from all Claims and rights
against them that arose before the Effective Date, including all debts, obligations, demands, and
liabilities, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or
502(i), regardless of whether or not (i) a proof of Claim based on such debt is Filed or deemed
Filed, (ii) a Claim based on such debt is allowed pursuant to Bankruptcy Code section 502, or
(iii) the holder of a Claim based on such debt has or has not accepted the Plan; (b) any judgment

1 underlying a Claim discharged hereunder is void; and (c) all entities are precluded from asserting
2 against the Debtor, the Estate, the Reorganized Debtor and their respective property, any Claims
3 or rights based upon any act or omission, transaction, or other activity of any kind or nature that
occurred prior to the Effective Date.

4 Except as otherwise provided in the Plan or the Confirmation Order, on and after the
5 Effective Date, all entities who have held, currently hold, or may hold a Claim against the
6 Debtor, the Estate, or the Reorganized Debtor, that is based upon any act or omission,
7 transaction, or other activity of any kind or nature that occurred prior to the Effective Date, that
8 otherwise arose or accrued prior to the Effective Date, or that otherwise is discharged pursuant to
9 the Plan, are permanently enjoined from taking any of the following actions on account of any
10 such discharged Claim, (the "Permanent Injunction"): (a) commencing or continuing in any
11 manner any action or other proceeding against the Debtor, the Estate, the Reorganized Debtor or
12 their respective property, that is inconsistent with the Plan or the Confirmation Order; (b)
13 enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or
14 order against the Debtor, the Estate, the Reorganized Debtor or their respective property, other
than as expressly permitted under the Plan; (c) creating, perfecting, or enforcing any lien or
15 encumbrance against property of Debtor, the Estate, the Reorganized Debtor, or their respective
16 property, other than as expressly permitted under the Plan; and (d) commencing or continuing
17 any action, in any manner, in any place that does not comply with or is inconsistent with the
18 provisions of the Plan, the Confirmation Order, or the discharge provisions of Bankruptcy Code
section 1141. Any person or entity injured by any willful violation of such Permanent Injunction
19 shall recover actual damages, including costs and attorneys' fees, and, in appropriate
20 circumstances, may recover punitive damages, from the willful violator.

15 **XII. RETENTION OF JURISDICTION**

16 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective
17 Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the
18 Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the
Debtor and the Plan as legally permissible, including, without limitation, jurisdiction to:

19 1. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or
20 secured or unsecured status of any Claim, including, without limitation, the resolution of any
21 request for payment of any Administrative Claim and the resolution of any and all objections to
the allowance or priority of any Claim;

22 2. Grant or deny any applications for allowance of compensation or reimbursement
23 of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or
before the Confirmation Date;

24 3. Resolve any matters related to the assumption, assignment or rejection of any
25 Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a
26 Debtor or Reorganized Debtor may be liable and to adjudicate and, if necessary, liquidate, any
27 Claims arising therefrom, including, without limitation, those matters related to any amendment
to the Plan after the Effective Date to add Executory Contracts or Unexpired Leases to the list of
Executory Contracts and Unexpired Leases to be assumed;

28 4. Resolve any issues related to any matters adjudicated in the Chapter 11 Case;

1 5. Ensure that distributions to holders of Allowed Claims are accomplished pursuant
2 to the provisions of the Plan;

3 6. Decide or resolve any motions, adversary proceedings, contested or litigated
4 matters and any other Causes of Action that are pending as of the Effective Date or that may be
5 commenced in the future, and grant or deny any applications involving a Debtor that may be
6 pending on the Effective Date or instituted by the Reorganized Debtor after the Effective Date,
7 *provided* that the Reorganized Debtor shall reserve the right to commence actions in all
8 appropriate forums and jurisdictions;

9 7. Enter such orders as may be necessary or appropriate to implement or
10 consummate the provisions of the Plan and all other contracts, instruments, releases, indentures
11 and other agreements or documents adopted in connection with the Plan, the Plan Supplement or
12 the Disclosure Statement;

13 8. Resolve any cases, controversies, suits or disputes that may arise in connection
14 with the Consummation, interpretation or enforcement of the Plan or any Entity's obligations
15 incurred in connection with the Plan;

16 9. Hear and determine all Causes of Action that are pending as of the Effective Date
17 or that may be commenced in the future;

18 10. Issue injunctions and enforce them, enter and implement other orders or take such
19 other actions as may be necessary or appropriate to restrain interference by any Entity with
20 Consummation or enforcement of the Plan, except as otherwise provided in the Plan;

21 11. Enforce any provision hereof;

22 12. Enter and implement such orders or take such others actions as may be necessary
23 or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

24 13. Resolve any other matters that may arise in connection with or relate to the Plan,
25 the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture
26 or other agreement or document adopted in connection with the Plan or the Disclosure
27 Statement; and

28 14. Enter an order concluding the Chapter 11 Case.

XIII. MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees.

All fees payable pursuant to section 1930 of title 28 of the United States Code after the Effective Date shall be paid prior to the closing of the Chapter 11 Case when due or as soon thereafter as practicable.

B. Modification of Plan.

Effective as of the date hereof and subject to the limitations and rights contained in the Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order; and

1 (b) after the entry of the Confirmation Order, the Debtor or the Reorganized Debtor, as
2 applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance
3 with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any
4 inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent
5 of the Plan.

6 **C. Revocation of Plan.**

7 The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation
8 Date and to File subsequent chapter 11 plans. If the Debtor revokes or withdraw the Plan, or if
9 Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all
10 respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of
11 Executory Contracts or Unexpired Leases effected by the Plan and any document or agreement
12 executed pursuant hereto shall be deemed null and void except as may be set forth in a separate
13 order entered by the Bankruptcy Court; and (3) nothing contained in the Plan shall: (a) constitute
14 a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any
15 other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c)
16 constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtor or any
17 other Entity.

18 **D. Successors and Assigns.**

19 The rights, benefits and obligations of any Entity named or referred to herein shall be
20 binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign
21 of such Entity.

22 **E. Reservation of Rights.**

23 Except as expressly set forth herein, the Plan shall have no force or effect unless and until
24 the Bankruptcy Court enters the Confirmation Order. Neither the filing of the Plan, any statement
25 or provision contained herein, nor the taking of any action by a Debtor or any other Entity with
26 respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1)
27 any Debtor with respect to the holders of Claims or Equity Interests or other Entity; or (2) any
28 holder of a Claim or an Equity Interest or other Entity prior to the Effective Date.

F. Section 1146 Exemption.

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant
hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in
the United States, and the Confirmation Order shall direct the appropriate state or local
governmental officials or agents to forego the collection of any such tax or governmental
assessment and to accept for filing and recordation instruments or other documents pursuant to
such transfers of property without the payment of any such tax or governmental assessment.
Such exemption specifically applies, without limitation, to all documents necessary to evidence
and implement the provisions of and the distributions to be made under the Plan.

G. Further Assurances.

The Debtor or the Reorganized Debtor, as applicable, all holders of Claims receiving
distributions hereunder and all other Entities shall, from time to time, prepare, execute and
deliver any agreements or documents and take any other actions as may be necessary or
advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

H. Severability.

1 If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy
2 Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter
3 and interpret such term or provision to make it valid or enforceable to the maximum extent
4 practicable, consistent with the original purpose of the term or provision held to be invalid, void
5 or unenforceable, and such term or provision then will be applicable as altered or interpreted,
6 *provided* that the Debtor, the Reorganized Debtor or any affected Entity (as applicable) may seek
7 an expedited hearing before the Bankruptcy Court to address any objection to any such alteration
8 or interpretation of the foregoing. Notwithstanding any such order by the Bankruptcy Court,
9 alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in
10 full force and effect. The Confirmation Order shall constitute a judicial determination and shall
11 provide that each term and provision of the Plan, as it may have been altered or interpreted in
12 accordance with the foregoing, is valid and enforceable pursuant to its terms.

8 **I. Service of Documents.**

9 Any pleading, notice or other document required by the Plan to be served on or delivered
10 to the Debtor shall be sent by overnight mail to:

11 Kittusamy, LLP
12 Attn: Prem K. Kittusamy, M.D.
13 9811 West Charleston Blvd., Suite 2542
14 Las Vegas, Nevada 89117

14 with copies to :

15 Kolesar & Leatham
16 Attn: Bart K. Larsen, Esq.
17 400 S. Rampart Blvd., Suite 400
18 Las Vegas, Nevada 89145

18 **J. Return of Security Deposits.**

19 Unless the Debtor have agreed otherwise in a written agreement or stipulation approved
20 by the Bankruptcy Court, all security deposits provided by the Debtor to any Person or Entity at
21 any time after the Commencement or offset of any kind.

22 **K. Filing of Additional Documents.**

23 On or before the Effective Date, the Debtor may File with the Bankruptcy Court all
24 agreements and other documents that may be necessary or appropriate to effectuate and further
25 evidence the terms and conditions hereof.

25 **L. Default.**

26 Upon the Effective Date of the Plan, in the event the Debtor fails to timely perform any
27 of the obligations set forth in the Plan, the applicable creditor or party-in-interest shall notify the
28 Debtor and Debtor's counsel of the default in writing in accordance with the notice provisions
herein, after which the Debtor shall have: (i) twenty (20) business days from the date of the
written notification to cure the default; or (ii) if the cure requires more than twenty (20) business

1 days, so long as the Debtor initiates steps to cure the default within twenty (20) business days
2 and thereafter continues and completes all reasonable and necessary steps sufficient to produce
3 compliance as soon as reasonably practical. If the Debtor fails to timely cure the default as
4 provided above, the applicable creditor shall be free to pursue any and all rights it may have
under the contract(s) between the parties and/or applicable state law, without further court order
or proceeding being necessary.

5 Dated this 15th day of November, 2017.

6 KITTUSAMY, LLP

7 By: Prem Kumar Kittusamy, M.D., P.C.

8
9 /s/ Prem K. Kittusamy, M. D.

10 By: Prem K. Kittusamy, M.D.

Its: President

11 Prepared and Submitted by:

12 KOLESAR & LEATHAM

13 /s/ Bart K. Larsen, Esq.

14 Bart K. Larsen, Esq.

15 Nevada Bar No. 8538

16 400 S. Rampart Blvd., Ste. 400

Las Vegas, Nevada 89145

17 *Attorneys for Kittusamy, LLP*

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EXHIBIT A-1

Name	Address1	Address2	City	State	Zip	Description	Cure Amount
Sade Cortez	6415 Bright Nimbus Ave		Las Vegas	NV	89139	Employment Agreement	N/A
Isis Johnson	9017 S. Pecos Rd.	Suite 4325	Henderson	NV	89074	Independent Contractor Agreement	N/A
Matt Massey	1712 Guthrie Dr		Las Vegas	NV	89117	Independent Contractor Agreement	N/A
Hewlett-Packard Financial Service Company	200 Connell Drive	Suite 5000	Berkeley Heights	NJ		Business Lease Agreement	N/A
MOB 48/49 OF NEVADA, LLC c/o MedCap Properties	3100 West End Ave.	Suite 800	Nashville	TN	37203	Lease Agreement	N/A
Omninet Westcliff, LP	c/o Omninet Property Management	9420 Wilshire BLVD, Suite 400	Beverly Hills	CA	90212	Lease Agreement	N/A
DUC Development, LLC	7500 Smoke Ranch Road		Las Vegas	NV	89128	Lease Agreement	N/A
Alarmco, Inc.	2007 Las Vegas Blvd South		Las Vegas	NV	89104	Service Agreement	N/A
Cox Communications Las Vegas, Inc	1700 Vegas Drive		Las Vegas	NV	89106	Commercial Services Agreement	N/A
Jani-King of Las Vegas, Inc.	5828 S. Pecos Road		Las Vegas	NV	89120	Maintenance Agreement	N/A
Nextaseo Cleaning Services	3651 Lindell Road	Suite D254	Las Vegas	NV	89103	Cleaning Service Contract	N/A
Sting Alarm, Inc.	7120 Rafael Ridge Way		Las Vegas	NV	89119	Service Agreement	N/A

EXHIBIT B

KITTUSAMY LLP
BALANCE SHEETS

ASSETS	as of December 31	
	2015	2014
Cash	\$ (65,780.56)	\$ -
Accounts receivable, net	6,765,439.29	5,005,822.41
Other assets	210,975.84	139,236.02
Computer equipment, net	214,874.92	108,743.34
Furniture and fixtures, net	39,560.63	43,954.56
Medical equipment, net	1,536,762.76	2,370,309.85
Construction build out, net	2,846,457.27	2,947,925.43
	\$ 11,548,290.15	\$ 10,615,991.61
LIABILITIES AND PARTNERS' EQUITY		
Liabilities:		
Short term loans	\$ -	\$ 62,862.36
Accounts payable	5,741,755.06	3,226,449.22
Other current liability	611,544.04	459,342.26
Due to equipment LLCs	843,162.48	789,711.93
Notes payable	4,602,457.06	5,132,118.21
Capital lease obligations	3,356,967.40	3,987,202.30
	15,155,886.04	13,657,686.28
Partners' Equity:		
Partners' contribution	597,467.30	597,467.30
Partners' distribution	(5,841.89)	(5,841.89)
Retained (deficit)	(4,199,221.30)	(3,633,320.08)
	(3,607,595.89)	(3,041,694.67)
	\$ 11,548,290.15	\$ 10,615,991.61

KITTUSAMY LLP
STATEMENTS OF INCOME

	Twelve Months Ended December 31	
	2015	2014
Revenue		
Patient revenue		
Las Vegas Radiology	\$ 13,339,477.27	\$ 14,719,734.40
Las Vegas Cardiology	3,048,947.77	2,772,029.85
	<u>16,388,425.04</u>	<u>\$ 17,491,764.25</u>
Outside reading	18,903.50	104,735.00
Other income	53,640.00	370,466.49
Supplement sales	61,095.78	-
Cost of goods sold	31,475.93	-
	<u>16,490,588.39</u>	<u>17,966,965.74</u>
Expenses		
Payroll:		
Physicians	1,912,738.79	1,453,611.68
Non-physicians	4,728,931.46	4,608,538.39
Other employee benefits	550,158.54	529,604.58
Medical supplies	1,239,527.61	1,349,550.81
Outside reading fees	872,864.69	1,495,046.30
Office rent	1,050,795.53	1,350,873.12
Marketing and advertising	177,505.27	217,199.10
Utilities, telephone and internet	386,672.94	395,601.64
Insurance		
Malpractice	147,496.29	121,611.56
Other	63,255.00	50,658.26
Professional fees (legal, accounting, consulting, IT)	721,121.03	558,854.48
Management fees	710,000.00	715,000.00
Medical equipment fee	53,450.55	298,059.00
Medical equipment rental	469,938.60	1,049,116.81
Equipment rental	66,111.01	78,527.04
Office supplies	42,016.96	72,399.63
Outside services (equipment maintenance, other)	1,389,015.56	1,632,488.45
Licenses and permits	37,212.95	66,529.31
Training and seminars	16,872.48	21,719.00
Travel	71,538.42	64,363.17
Taxes, other	30,922.18	9,633.78
Other operating costs (includes auto, dues & subscriptions, postage, printing, etc.)	475,466.51	573,905.55
	<u>15,213,612.37</u>	<u>16,712,891.66</u>
Earnings before interest, depreciation and amortization	1,276,976.02	1,254,074.08
Interest expense	645,909.44	1,052,661.83
Depreciation and amortization	1,196,967.80	1,851,899.59
Net income/(loss)	<u>\$ (565,901.22)</u>	<u>\$ (1,650,487.34)</u>

KITTUSAMY LLP
BALANCE SHEETS

	as of December 31	
	2016	2015
ASSETS		
Cash	\$713,844.74	(\$65,780.56)
Accounts receivable, net	6,208,567.61	6,765,439.29
Other assets	175,249.49	216,567.64
Computer equipment, net	258,956.39	209,283.12
Furniture and fixtures, net	46,248.26	39,560.63
Medical equipment, net	541,484.24	1,399,857.99
Construction build out, net	1,593,881.46	2,846,457.27
	\$ 9,538,232.19	\$ 11,411,385.38
LIABILITIES AND PARTNERS' EQUITY		
Liabilities:		
Accounts payable	5,984,924.21	5,741,755.06
Other current liability	391,617.25	611,544.04
Due to equipment LLCs	843,162.48	843,162.48
Notes payable	3,772,580.86	4,602,457.06
Capital lease obligations	3,153,971.19	3,531,967.40
	14,146,255.99	15,330,886.04
Partners' Equity:		
Partners' contribution	1,071,363.41	597,467.30
Partners' distribution	(9,248.01)	(5,841.89)
Retained (deficit)	(5,670,139.20)	(4,511,126.07)
	(4,608,023.80)	(3,919,500.66)
	\$ 9,538,232.19	\$ 11,411,385.38

KITTUSAMY LLP
STATEMENTS OF INCOME

	Twelve Months Ended December 31	
	2016	2015
Revenue		
Patient revenue		
Las Vegas Radiology	\$ 9,834,586.34	\$13,339,477.27
Las Vegas Cardiology	-	3,048,947.77
	9,834,586.34	16,388,425.04
Outside reading	630.00	18,903.50
Other income	261,390.00	53,640.00
Supplement sales	16,995.18	61,095.78
Cost of goods sold	8,324.68	31,475.93
	<u>10,105,276.84</u>	<u>16,490,588.39</u>
Expenses		
Payroll:		
Physicians	986,142.57	1,912,738.79
Non-physicians	3,219,175.32	4,728,931.46
Other employee benefits	172,608.81	550,158.54
Medical supplies	392,781.83	1,239,527.61
Outside reading fees	-	872,864.69
Office rent	550,572.14	1,050,795.53
Marketing and advertising	148,812.61	177,505.27
Utilities, telephone and internet	267,219.80	386,672.94
Insurance		
Malpractice	93,567.58	147,496.29
Other	59,937.22	63,255.00
Professional fees (legal, accounting, consulting, IT)	593,346.56	721,121.03
Management fees	674,317.18	710,000.00
Medical equipment fee	-	53,450.55
Medical equipment rental	-	469,938.60
Equipment rental	18,579.72	66,111.01
Office supplies	20,300.98	42,016.96
Outside services (equipment maintenance, other)	1,071,396.16	1,389,015.56
Licenses and permits	18,619.69	37,212.95
Training and seminars	11,230.07	16,872.48
Travel	83,177.19	71,538.42
Taxes, other	20,679.48	30,922.18
Other operating costs (includes auto, dues & subscriptions, postage, printing, etc.)	539,633.81	616,392.07
	<u>8,942,098.72</u>	<u>15,354,537.93</u>
Earnings before interest, depreciation and amortization	1,163,178.12	1,136,050.46
Interest expense	136,139.04	820,909.44
Depreciation and amortization	157,235.02	1,182,547.01
Disposal of fixed assets	1,988,517.19	-
US Trustee Fees	40,300.00	10,400.00
Net income/(loss)	<u>\$ (1,159,013.13)</u>	<u>\$ (877,805.99)</u>

KITTUSAMY LLP
BALANCE SHEETS

	as of August 31, 2017	
	2017	2016
ASSETS		
Cash	\$ 460,562.34	\$ 521,939.38
Accounts receivable, net	6,208,567.61	6,208,567.61
Other assets	120,589.11	167,677.49
Computer equipment, net	153,272.92	258,956.39
Furniture and fixtures, net	13,712.90	39,560.63
Medical equipment, net	107,218.60	512,484.24
Construction build out, net	1,555,308.33	1,593,881.46
	\$ 8,619,231.81	\$ 9,303,067.20
LIABILITIES AND PARTNERS' EQUITY		
Liabilities:		
Accounts payable	6,280,772.05	5,791,409.81
Other current liability	389,097.65	393,250.52
Due to equipment LLCs	-	843,162.48
Notes payable	3,509,868.81	4,603,069.69
Capital lease obligations	3,153,991.54	2,650,517.92
	13,333,730.05	14,281,410.42
Partners' Equity:		
Partners' contribution	1,071,363.41	1,071,363.41
Partners' distribution	(16,726.58)	(9,248.01)
Retained (deficit)	(5,769,135.07)	(6,040,458.62)
	(4,714,498.24)	(4,978,343.22)
	\$ 8,619,231.81	\$ 9,303,067.20

KITTUSAMY LLP
STATEMENTS OF INCOME

	Seven Month Ended August 31, 2017	
	2017	2016
Revenue		
Patient revenue		
Las Vegas Radiology	\$4,662,828.52	\$6,861,583.24
Las Vegas Cardiology		-
	<u>\$4,662,828.52</u>	<u>\$6,861,583.24</u>
Outside reading		630.00
Other income		261,385.00
Supplement sales		16,995.18
Cost of goods sold		<u>8,324.68</u>
	<u>\$4,662,828.52</u>	<u>\$7,132,268.74</u>
Expenses		
Payroll:		
Physicians	272,666.18	825,020.85
Non-physicians	1,925,417.39	2,312,470.91
Other employee benefits	94,948.68	117,637.52
Medical supplies	141,714.61	305,321.48
Outside reading fees	46,675.00	
Office rent	239,577.26	391,515.20
Marketing and advertising	237,381.96	139,682.86
Utilities, telephone and internet	208,634.63	194,342.28
Insurance		
Malpractice	33,912.00	79,481.73
Other	23,081.17	50,081.39
Professional fees (legal, accounting, consulting, IT)	293,911.26	382,182.03
Management fees	231,478.67	405,112.08
Medical equipment fee		
Medical equipment rental		
Equipment rental		18,579.72
Office supplies	16,030.03	13,970.31
Outside services (equipment maintenance, other)	554,013.98	782,473.93
Licenses and permits	23,763.63	13,119.62
Training and seminars	15,782.47	7,782.39
Travel	94,379.72	37,192.61
Taxes, other	1,204.56	3,924.88
Other operating costs (includes auto, dues & subscriptions, postage, printing, etc.)	<u>272,357.94</u>	<u>286,607.77</u>
	<u>4,726,931.14</u>	<u>6,366,499.56</u>
Earnings before interest, depreciation and amortization	(64,102.62)	\$765,769.18
Interest expense	26,932.65	118,149.52
Depreciation and amortization	-	157,235.02
Disposal of fixed assets	-	1,988,517.19
US Trustee Fees	31,222.10	31,200.00
Net income/(loss)	<u>\$ (122,257.37)</u>	<u>\$ (1,529,332.55)</u>

KITTUSAMY LLP
STATEMENTS OF INCOME
as of August 31, 2017

	January	February	March	April	May	June	July	August	YTD
Revenue									
Patient revenue									
Las Vegas Radiology	544,845.06	\$ 710,358.68	\$ 727,548.97	\$345,144.39	\$674,890.47	\$563,324.74	\$ 407,182.75	\$ 689,533.46	4,662,828.52
Las Vegas Cardiology	-	-	-	-	-	-	-	-	-
	544,845.06	710,358.68	727,548.97	345,144.39	674,890.47	563,324.74	407,182.75	689,533.46	4,662,828.52
Outside reading	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Supplement sales	-	-	-	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-	-	-	-
	544,845.06	710,358.68	727,548.97	345,144.39	674,890.47	563,324.74	407,182.75	689,533.46	4,662,828.52
Expenses									
Payroll:									
Physicians	42,276.18	37,624.68	42,666.68	28,314.46	28,314.47	31,048.66	31,048.66	31,372.39	272,666.18
Non-physicians	204,972.14	218,572.55	280,174.41	214,682.19	233,675.85	216,841.13	234,140.24	322,358.88	1,925,417.39
Other employee benefits	17,498.96	23,776.56	13,758.25	(4,949.76)	10,140.58	8,735.68	10,290.91	15,697.50	94,948.68
Medical supplies	21,351.37	18,620.18	20,859.13	14,441.25	16,021.45	14,219.09	15,284.32	20,917.82	141,714.61
Outside reading fees	-	-	-	-	22,943.00	7,787.00	-	15,945.00	46,675.00
Office rent	38,628.74	28,493.50	39,336.53	20,893.65	28,091.38	35,148.43	18,849.49	30,135.54	239,577.26
Marketing and advertising	17,711.90	10,413.53	45,635.13	16,321.19	30,957.11	16,229.10	49,958.75	50,155.25	237,381.96
Utilities, telephone and internet	37,998.11	9,563.14	53,241.92	19,349.08	19,624.05	22,973.57	18,627.18	27,257.58	208,634.63
Insurance									
Malpractice	14,411.00	-	-	14,411.00	-	2,250.00	2,840.00	-	33,912.00
Other	760.38	4,455.00	10,094.59	3,570.06	2,174.18	1,013.48	506.74	506.74	23,081.17
Professional fees (legal, accounting, consulting, IT)	23,942.50	45,296.40	23,709.36	117,509.62	18,306.24	39,311.66	13,966.24	11,869.24	293,911.26
Management fees	31,401.70	112,803.40	56,401.70	-	1,401.70	26,401.70	1,401.70	1,666.77	231,478.67
Medical equipment fee	-	-	-	-	-	-	-	-	-
Medical equipment rental	-	-	-	-	-	-	-	-	-
Equipment rental	-	-	-	-	-	-	-	-	-
Office supplies	1,425.38	1,585.86	1,426.22	1,663.28	1,494.39	1,348.70	2,803.56	4,282.64	16,030.03
Outside services (equipment maintenance, other)	76,950.70	76,637.28	68,661.66	74,480.91	72,275.19	70,690.87	85,172.87	29,144.50	554,013.98
Licenses and permits	75.00	810.00	-	-	2,722.63	3,751.00	8,390.00	8,015.00	23,763.63
Training and seminars	-	995.00	4,267.93	7,639.00	2,640.00	240.54	-	-	15,782.47
Travel	11,309.22	7,352.19	7,161.82	18,073.75	3,034.15	10,174.18	15,925.64	21,348.77	94,379.72
Taxes, other	155.02	1,049.54	-	-	-	-	-	-	1,204.56
Other operating costs (includes auto, dues & subscriptions, postage, printing, etc.)	53,645.73	39,067.03	33,391.02	22,594.04	22,593.69	35,646.43	45,614.23	19,805.77	272,357.94
	594,514.03	636,120.84	697,513.42	565,622.65	521,409.06	546,210.68	555,061.07	610,479.39	4,726,931.14
Earnings before interest, depreciation and amortization	(49,668.97)	74,237.84	30,035.55	(220,478.26)	153,481.41	17,114.06	(147,878.32)	79,054.07	(64,102.62)
Interest expense	3,518.94	3,472.78	3,764.17	3,354.03	3,286.45	3,240.23	323.06	5,972.99	26,932.65
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Disposal of fixed assets	-	-	-	-	-	-	-	-	-
US Trustee Fees	6,500.00	-	-	9,759.47	-	-	14,962.64	-	31,222.11
Net income/(loss)	(59,687.91)	\$ 70,765.06	\$ 26,271.38	(233,591.76)	\$ 150,194.96	\$ 13,873.83	(163,164.02)	\$ 73,081.08	(122,257.38)

EXHIBIT C

HYPOTHETICAL LIQUIDATION ANALYSIS

A. Introduction

In connection with the Plan and Disclosure Statement, the following hypothetical liquidation analysis (the “**Liquidation Analysis**”) has been prepared by the Debtor’s management with the assistance of the Debtor’s legal counsel. This Liquidation Analysis should be read in conjunction with the Plan and the Disclosure Statement. The Debtor has prepared this Liquidation Analysis for the purpose of evaluating whether the Plan meets the so-called “best interests” test under section 1129(a)(7) of the Bankruptcy Code, which requires that a bankruptcy court find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with a recover of property of a value, as of the effective date of the plan, that is not less than the amount such holder would recover if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

B. Assumptions and Disclaimer

The Liquidation Analysis has been prepared assuming the Debtor’s current Chapter 11 Case converts to chapter 7 liquidation under the Bankruptcy Code on October 31, 2017 (the “**Liquidation Date**”) and that the Debtor’s assets are liquidated in a traditional liquidation with the loss of going concern forced sale value attributable to these assets. It is further assumed that upon conversion of the Chapter 11 Case, a chapter 7 trustee (the “**Trustee**”) would be appointed or elected to commence the liquidation of all of the Debtor’s assets. To maximize recovery, the liquidation is assumed to occur over a three to six month period immediately after conversion of the Chapter 11 Case. This Liquidation Analysis does not contemplate recoveries or expenses resulting from the pursuit of any potential preference claims, fraudulent conveyance litigation, or other avoidance action. Estimating recoveries in any hypothetical chapter 7 liquidation case is an uncertain process due to the number of unknown variables and is necessarily speculative. Thus extensive use of estimates and assumptions has been made that, although considered reasonable by Debtor’s management and its legal counsel, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtor.

THE DEBTOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS OR A CHAPTER & TRUSTEE’S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THE CHAPTER 11 CASE IS CONVERTED TO CHAPTER 7 LIQUIDATION, ACTUAL RESULTS MAY VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THIS LIQUIDATION ANALYSIS.

In preparing the Liquidation Analysis, the amount of Allowed Claims has been projected based upon a review of scheduled Claims and all Proofs of Claim associated with pre-petition and post-petition obligations. Additional Claims were estimated to include certain post-petition

obligations on account of which Claims have not been asserted, but which would be asserted in a hypothetical chapter 7 liquidation. These potential Claims include, without limitation, Claims for trade payables incurred during the Chapter 11 Case. In the event litigation is necessary to resolve any Claim, the completion of the chapter 7 liquidation could be delayed considerably. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of any Claim at the estimated amount set forth in this Liquidation Analysis.

THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH IN THE LIQUIDATION ANALYSIS SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING, WITHOUT LIMITATION, ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASE COULD MATERIALLY AND SIGNIFICANTLY DIFFER FROM THE AMOUNT OF CLAIMS ESTIMATED IN THE LIQUIDATION ANALYSIS. NOTHING CONTAINED IN THIS HYPOTHETICAL LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTOR WITH REGARD TO ANY CLAIM.

EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THIS LIQUIDATION ANALYSIS WAS PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT THESE ANALYSES IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE DEBTOR AND REORGANIZED DEBTOR DO NOT INTEND AND DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE THE LIQUIDATION ANALYSIS (OR ANY OTHER PART OF THE DISCLOSURE STATEMENT) TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THIS LIQUIDATION ANALYSIS IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE LIQUIDATION ANALYSIS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE LIQUIDATION ANALYSIS.

THIS LIQUIDATION ANALYSIS WAS DEVELOPED SOLELY FOR PURPOSES OF THE FORMULATION AND NEGOTIATION OF THE PLAN AND TO ENABLE THE HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE UNDER THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF SECURITIES OF, OR CLAIMS OR INTERESTS IN, THE DEBTOR OR ANY OF ITS AFFILIATES.

C. Hypothetical Liquidation Analysis

Net Accounts Receivable:		1,500,000.00
Unrestricted Cash:		100,000.00
		1,600,000.00
Equipment, Furniture, & Fixtures:		150,000.00
Medical Imaging Equipment (Maryland Parkway):		
Fonar 0.6 T Upright/Stand-Up MRI		400,000.00
Misc. Equipment		25,000.00
		425,000.00
Medical Imaging Equipment (Smoke Ranch):		
Siemens Axiom Luminos TF		125,000.00
Siemens E.Cam TM Signature Series Dual Detector Gamma		75,000.00
Siemens Magnetom Espree MRI		500,000.00
Acuson Antares Ultrasound System		40,000.00
Biograph 64/60 True Point		350,000.00
Misc. Equipment		25,000.00
		1,115,000.00
Secured Claims:		
Partap Investments, LLC (formerly Meadows Bank Loan #3301009)		(477,233.62)
Moonshell, LLC		(1,000,000.00)
Cardinal Health 414, LLC		(5,879.00)
Wallis State Bank		(2,500.00)
		(1,485,612.62)
Total Net Liquidation Proceeds:		1,804,387.38
Chapter 7 Administrative Expenses:		
Chapter 7 Trustee Fees		(70,000.00)
Chapter 7 Trustee Attorney Fees		(100,000.00)
Wind Down and Storage Costs		(50,000.00)
Taxes and other Priority Claims		(150,000.00)
		(370,000.00)
Chapter 11 Administrative Expenses:		
Attorney Fees		(125,000.00)
Priority Tax Claims		-
Non-Tax Priority Claims		(140,191.00)
Administrative Claims		(850,000.00)
		(1,115,191.00)
Total Potential Proceeds Available to Unsecured Creditors:		319,196.38
Estimated Total Allowed Unsecured Claims:		12,760,886.00
Estimated Percentage Payout to Unsecured Creditors in Chapter 7 Liquidation:		2.50%

D. Notes and Assumptions

1. Accounts Receivable. Consistent with industry practices, The Debtor bills for medical services at rates approximately equal to three times the applicable Medicare/Medicaid reimbursement rate. The Debtor's historical collection rate for its accounts receivables is approximately 28%. However, should the Debtor cease to exist as an operating business, the collectability of the Debtor's accounts receivable is uncertain. The value of the Debtor's accounts receivable indicated in the Liquidation Analysis represents the amount the Debtor reasonably expects would be collected in a liquidation scenario based upon its accounts receivable as of September 30, 2017.

2. Dependence on Unaudited Financial Statements. This Liquidation Analysis contains estimates that are still under review and it remains subject to further legal and accounting analysis.

3. Preference or Fraudulent Transfers. Taking into account all relevant factors, the Debtor does not anticipate that it will commence or receive any recover upon any potential claim relative to any preferential or fraudulent transfer. Accordingly, no recovery or related litigation costs attributed to any potential preference or fraudulent transfer action are assumed within this Liquidation Analysis.

EXHIBIT D

KITTUSAMY, LLP'S PROJECTIONS OF REVENUE AND EXPENSES

1. Dependence on Assumptions. The Debtor's projections of revenue and expenses contained herein (the "**Projections**") are presented on a cash accounting basis. The Projections are based on a number of estimates and assumptions that, while developed and considered reasonable by the Debtor and its advisors, are inherently subject to significant economic, business, and competitive uncertainties beyond the control of the Debtor. Accordingly, there can be no assurance that the revenue or expense estimates reflected in the projections will be realized, and actual results could vary materially and adversely from the projections contained herein.

2. Growth Assumptions. Due to the inherent stigma and difficulty of operating as a chapter 11 debtor in possession, the Debtor is operating at less than 100% of its current capacity. The Debtor projects that confirmation of its Plan will immediately and significantly aid in the Debtor's marketing efforts and in its efforts to attract and retain qualified employees. Accordingly, the Debtor's Projections begin with the assumption that the Debtor's gross monthly revenue will rapidly increase by approximately 10% over its current year-to-date gross monthly average. The Debtor and its advisors consider this projection to be reasonable based upon the Debtor's historical financial performance and current capacity to increase operations. The Debtor's Projections are further based upon the assumption that the Debtor's ongoing revenues will increase at an annual rate of approximately 5% and that the Debtor's expenses will likewise increase at an annual rate of approximately 5% with the exception of rent expenses, which the Debtor projects will increase at a lower rate of approximately 3% in accordance with rent escalations contained within the Debtor's existing leases and the Debtor's general expectations for renewing existing leases or leasing new commercial space during the next five (5) years.

3. Capital Expenditures. In order for the Debtor to meet the growth projections under the Plan, the Debtor anticipates that it will be necessary to upgrade existing equipment or purchase new equipment during the Projection period. Accordingly, the Debtor's Projections include an annual budget of \$240,000 for capital expenditures in Years 1 through 5.

4. Taxes. Much of the personal property used by the Debtor in the course of operating its ongoing business has already been fully depreciated for tax purposes. Taking into account expected future capital expenditures, the Debtor anticipates that its future net income will be taxed at a rate of 30% or greater.

5. Compensation of Debtor's Principals. Both Prem and Bhuvana Kittusamy continue to operate their respective medical practices through the Debtor. Prior to April 2017, Prem and Bhuvana were employed the Debtor on a full time basis as independent contractors and were paid monthly management fees of \$30,000 and \$25,000, respectively. In April 2017, Prem and Bhuvana became employees of the Debtor. Prem currently receives a monthly salary of \$30,000. Bhuvana receives a monthly salary of \$25,000. The Debtor believes such salaries are substantially below market rate for both Prem and Bhuvana, taking into account their qualifications, the highly specialized medical services they provide, and their historical earnings. In the Projections, Prem and Bhuvana's salaries are included in the non-physician payroll expense category.

Kittusamy, LLP

Monthly Projections of Revenue and Expenses

	Initial Budget	Historical Monthly Averages				
		2017 YTD	2016	2015	2014	2013
Projected Revenue:						
Patient revenue (LVR and LVC)	650,000.00	582,853.57	819,548.86	1,365,702.09	1,457,647.02	1,339,361.21
Other income (outside reading, supplemental sales, etc.)			20,222.56	11,136.61	39,600.12	20,829.86
	650,000.00	582,853.57	839,771.42	1,376,838.70	1,497,247.14	1,360,191.07
Projected Expenses:						
Payroll						
Physicians	40,000.00	34,083.27	82,178.55	159,394.90	121,134.31	122,173.12
Non-physicians	250,000.00	240,677.17	268,264.61	394,077.62	384,044.87	390,860.49
Other employee benefits	12,000.00	11,868.59	14,384.07	45,846.55	44,133.72	39,634.20
Medical supplies	20,000.00	17,714.33	32,731.82	103,293.97	112,462.57	87,995.89
Outside Reading	-	5,834.38	-	72,738.72	124,587.19	125,491.52
Office rent	30,000.00	29,947.16	45,881.01	87,566.29	112,572.76	104,861.83
Marketing and advertising	30,000.00	29,672.75	20,851.53	14,792.11	18,099.93	24,072.26
Utilities, telephone and internet	25,000.00	26,079.33	22,268.32	32,222.75	32,966.80	27,539.34
Insurance						
Malpractice	5,000.00	4,239.00	7,797.30	12,291.36	10,134.30	13,514.67
Other	3,000.00	2,885.15	4,994.77	5,271.25	4,221.52	6,227.93
Professional fees (legal, accounting, consulting, IT)	20,000.00	36,738.91	49,445.55	60,093.42	46,571.21	22,391.11
Management fees	-	28,934.83	56,193.10	59,166.67	59,583.33	55,000.00
Medical equipment fee	-	-	-	4,454.21	24,838.25	37,808.72
Medical equipment rental	-	-	-	39,161.55	87,426.40	49,015.38
Equipment rental	-	-	1,548.31	5,509.25	6,543.92	4,958.90
Office supplies	2,000.00	2,003.75	1,691.75	3,501.41	6,033.30	4,006.60
Outside services (equipment maintenance, other)	75,000.00	69,251.75	89,336.35	115,715.30	136,040.70	131,322.05
Licenses and permits	3,000.00	2,970.45	1,551.64	3,101.08	5,544.11	5,448.52
Training and seminars	1,500.00	1,972.81	935.84	1,406.04	1,809.92	604.28
Travel	10,000.00	11,797.47	6,969.71	5,961.54	5,363.60	2,829.71
Taxes, other	250.00	150.57	1,723.29	2,576.85	802.82	865.91
Other operating costs (includes auto, dues & subscriptions, postage, printing, etc.)	35,000.00	34,044.74	36,427.40	39,622.21	47,825.46	39,381.07
	561,750.00	590,866.39	745,174.89	1,267,765.05	1,392,740.97	1,296,003.51
Net Operating Income:	88,250.00	(8,012.82)	93,902.80	112,196.13	104,506.17	64,187.56
Debt Service:						
Debt Service:						
Partap - Meadows Bank Note	12,431.81					
Moonshell - Smoke Ranch Note	19,683.46					
	32,115.27					
Capital Expenditures Budget:	20,000.00					
Estimated Income Taxes (30% of Net Operating Income):	26,475.00					
Estimated Available Cash Flow:	9,659.73					

Kittusamy, LLP

Projections of Revenue and Expenses -- Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Projected Revenue:													
Patient revenue (LVR and LVC)	650,000.00	652,708.33	655,427.95	658,158.90	660,901.23	663,654.99	666,420.21	669,196.97	671,985.29	674,785.22	680,408.43	683,243.47	7,986,890.99
Other income (outside reading, supplemental sales, etc.)													
	650,000.00	652,708.33	655,427.95	658,158.90	660,901.23	663,654.99	666,420.21	669,196.97	671,985.29	674,785.22	680,408.43	683,243.47	7,986,890.99
Projected Expenses:													
Payroll													
Physicians	40,000.00	40,166.67	40,334.03	40,502.09	40,670.84	40,840.31	41,010.47	41,181.35	41,352.94	41,525.24	41,698.27	41,872.01	491,154.22
Non-physicians	250,000.00	251,041.67	252,087.67	253,138.04	254,192.78	255,251.92	256,315.47	257,383.45	258,455.88	259,532.78	260,614.17	261,700.06	3,069,713.87
Other employee benefits	12,000.00	12,050.00	12,100.21	12,150.63	12,201.25	12,252.09	12,303.14	12,354.41	12,405.88	12,457.57	12,561.39	12,666.06	147,502.63
Medical supplies	20,000.00	20,083.33	20,167.01	20,251.04	20,335.42	20,420.15	20,505.24	20,590.68	20,676.47	20,762.62	20,849.13	20,936.00	245,577.11
Outside Reading	-	-	-	-	-	-	-	-	-	-	-	-	-
Office rent	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	360,000.00
Marketing and advertising	30,000.00	30,125.00	30,250.52	30,376.56	30,503.13	30,630.23	30,757.86	30,886.01	31,014.71	31,143.93	31,273.70	31,404.01	368,365.66
Utilities, telephone and internet	25,000.00	25,104.17	25,208.77	25,313.80	25,419.28	25,525.19	25,631.55	25,738.34	25,845.59	25,953.28	26,061.42	26,170.01	306,971.39
Insurance													
Malpractice	5,000.00	5,020.83	5,041.75	5,062.76	5,083.86	5,105.04	5,126.31	5,147.67	5,169.12	5,190.66	5,212.28	5,234.00	61,394.28
Other	3,000.00	3,012.50	3,025.05	3,037.66	3,050.31	3,063.02	3,075.79	3,088.60	3,101.47	3,114.39	3,127.37	3,140.40	36,836.57
Professional fees (legal, accounting, consulting, IT)	20,000.00	20,083.33	20,167.01	20,251.04	20,335.42	20,420.15	20,505.24	20,590.68	20,676.47	20,762.62	20,849.13	20,936.00	245,577.11
Management fees													
Medical equipment fee													
Medical equipment rental													
Equipment rental													
Office supplies	2,000.00	2,008.33	2,016.70	2,025.10	2,033.54	2,042.02	2,050.52	2,059.07	2,067.65	2,076.26	2,084.91	2,093.60	24,557.71
Outside services (equipment maintenance, other)	75,000.00	75,312.50	75,626.30	75,941.41	76,257.83	76,575.58	76,894.64	77,215.03	77,536.76	77,859.83	78,184.25	78,510.02	920,914.16
Licenses and permits	3,000.00	3,012.50	3,025.05	3,037.66	3,050.31	3,063.02	3,075.79	3,088.60	3,101.47	3,114.39	3,127.37	3,140.40	36,836.57
Training and seminars	1,500.00	1,506.25	1,512.53	1,518.83	1,525.16	1,531.51	1,537.89	1,544.30	1,550.74	1,557.20	1,563.68	1,570.20	18,418.28
Travel	10,000.00	10,041.67	10,083.51	10,125.52	10,167.71	10,210.08	10,252.62	10,295.34	10,338.24	10,381.31	10,424.57	10,468.00	122,788.55
Taxes, other	250.00	251.04	252.09	253.14	254.19	255.25	256.32	257.38	258.46	259.53	260.61	261.70	3,069.71
Other operating costs	35,000.00	35,145.83	35,292.27	35,439.33	35,586.99	35,735.27	35,884.17	36,033.68	36,183.82	36,334.59	36,485.98	36,638.01	429,759.94
	561,750.00	563,965.63	566,190.48	568,424.61	570,668.04	572,920.83	575,183.00	577,454.59	579,735.65	582,026.22	584,378.24	586,740.48	6,889,437.78
Net Operating Income:	88,250.00	88,742.71	89,237.47	89,734.29	90,233.19	90,734.16	91,237.22	91,742.37	92,249.63	92,759.00	96,030.20	96,502.99	1,097,453.22
Debt Service:													
Partap (Meadows Bank Note)	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	149,181.72
Moonshell Smoke Ranch Debt	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	385,383.24
Capital Expenditures Budget:	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Income Taxes:	26,475.00	26,622.81	26,771.24	26,920.29	27,069.96	27,220.25	27,371.16	27,522.71	27,674.89	27,827.70	28,809.06	28,950.90	329,235.97
Available Cash Flow:	9,659.73	10,004.63	10,350.96	10,698.73	11,047.96	11,398.64	11,750.78	12,104.39	12,459.47	12,816.03	15,105.87	15,436.82	142,834.01

Kittusamy, LLP

Projections of Revenue and Expenses -- Year 2

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Projected Revenue:													
Patient revenue (LVR and LVC)	686,090.32	688,949.03	691,819.65	694,702.23	697,596.82	700,503.48	703,422.24	706,353.17	709,296.30	712,251.71	715,219.42	718,199.50	8,424,403.86
Other income (outside reading, supplemental sales, etc.)													
	686,090.32	688,949.03	691,819.65	694,702.23	697,596.82	700,503.48	703,422.24	706,353.17	709,296.30	712,251.71	715,219.42	718,199.50	8,424,403.86
Projected Expenses:													
Payroll													
Physicians	42,046.48	42,221.67	42,397.59	42,574.25	42,751.64	42,929.77	43,108.65	43,288.27	43,468.64	43,649.75	43,831.63	44,014.26	516,282.60
Non-physicians	262,790.47	263,885.43	264,984.96	266,089.06	267,197.77	268,311.09	269,429.05	270,551.67	271,678.97	272,810.97	273,947.68	275,089.13	3,226,766.26
Other employee benefits	12,718.84	12,771.84	12,825.05	12,878.49	12,932.15	12,986.03	13,040.14	13,094.48	13,149.04	13,203.82	13,258.84	13,314.08	156,172.80
Medical supplies	21,023.24	21,110.83	21,198.80	21,287.12	21,375.82	21,464.89	21,554.32	21,644.13	21,734.32	21,824.88	21,915.81	22,007.13	258,141.30
Outside Reading													
Office rent	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	30,900.00	370,800.00
Marketing and advertising	31,534.86	31,666.25	31,798.19	31,930.69	32,063.73	32,197.33	32,331.49	32,466.20	32,601.48	32,737.32	32,873.72	33,010.70	387,211.95
Utilities, telephone and internet	26,279.05	26,388.54	26,498.50	26,608.91	26,719.78	26,831.11	26,942.91	27,055.17	27,167.90	27,281.10	27,394.77	27,508.91	322,676.63
Insurance													
Malpractice	5,255.81	5,277.71	5,299.70	5,321.78	5,343.96	5,366.22	5,388.58	5,411.03	5,433.58	5,456.22	5,478.95	5,501.78	64,535.33
Other	3,153.49	3,166.63	3,179.82	3,193.07	3,206.37	3,219.73	3,233.15	3,246.62	3,260.15	3,273.73	3,287.37	3,301.07	38,721.20
Professional fees (legal, accounting, consulting, IT)	21,023.24	21,110.83	21,198.80	21,287.12	21,375.82	21,464.89	21,554.32	21,644.13	21,734.32	21,824.88	21,915.81	22,007.13	258,141.30
Management fees													
Medical equipment fee													
Medical equipment rental													
Equipment rental													
Office supplies	2,102.32	2,111.08	2,119.88	2,128.71	2,137.58	2,146.49	2,155.43	2,164.41	2,173.43	2,182.49	2,191.58	2,200.71	25,814.13
Outside services (equipment maintenance, other)	78,837.14	79,165.63	79,495.49	79,826.72	80,159.33	80,493.33	80,828.72	81,165.50	81,503.69	81,843.29	82,184.30	82,526.74	968,029.88
Licenses and permits	3,153.49	3,166.63	3,179.82	3,193.07	3,206.37	3,219.73	3,233.15	3,246.62	3,260.15	3,273.73	3,287.37	3,301.07	38,721.20
Training and seminars	1,576.74	1,583.31	1,589.91	1,596.53	1,603.19	1,609.87	1,616.57	1,623.31	1,630.07	1,636.87	1,643.69	1,650.53	19,360.60
Travel	10,511.62	10,555.42	10,599.40	10,643.56	10,687.91	10,732.44	10,777.16	10,822.07	10,867.16	10,912.44	10,957.91	11,003.57	129,070.65
Taxes, other	262.79	263.89	264.98	266.09	267.20	268.31	269.43	270.55	271.68	272.81	273.95	275.09	3,226.77
Other operating costs	36,790.67	36,943.96	37,097.89	37,252.47	37,407.69	37,563.55	37,720.07	37,877.23	38,035.06	38,193.54	38,352.68	38,512.48	451,747.28
	589,960.24	592,289.65	594,628.78	596,977.65	599,336.30	601,704.79	604,083.14	606,471.41	608,869.62	611,277.83	613,696.07	616,124.38	7,235,419.85
Net Operating Income:	96,130.08	96,659.37	97,190.87	97,724.58	98,260.52	98,798.69	99,339.10	99,881.76	100,426.69	100,973.88	101,523.35	102,075.12	1,188,984.01
Debt Service:													
Partap (Meadows Bank Note)	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	149,181.72
Moonshell Smoke Ranch Debt	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	385,383.24
Capital Expenditures Budget:	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Income Taxes:	28,839.02	28,997.81	29,157.26	29,317.37	29,478.16	29,639.61	29,801.73	29,964.53	30,128.01	30,292.16	30,457.01	30,622.54	356,695.20
Available Cash Flow:	15,175.79	15,546.29	15,918.34	16,291.94	16,667.09	17,043.81	17,422.10	17,801.96	18,183.41	18,566.45	18,951.08	19,337.31	206,905.57

Kittusamy, LLP

Projections of Revenue and Expenses -- Year 3

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Projected Revenue:													
Patient revenue (LVR and LVC)	721,192.00	724,196.97	727,214.45	730,244.51	733,287.20	736,342.56	739,410.66	742,491.54	745,585.25	748,691.86	751,811.40	754,943.95	8,855,412.35
Other income (outside reading, supplemental sales, etc.)													
	721,192.00	724,196.97	727,214.45	730,244.51	733,287.20	736,342.56	739,410.66	742,491.54	745,585.25	748,691.86	751,811.40	754,943.95	8,855,412.35
Projected Expenses:													
Payroll													
Physicians	44,197.65	44,381.81	44,566.73	44,752.43	44,938.90	45,126.14	45,314.17	45,502.98	45,692.57	45,882.96	46,074.14	46,266.11	542,696.60
Non-physicians	276,235.33	277,386.31	278,542.09	279,702.68	280,868.11	282,038.39	283,213.55	284,393.61	285,578.58	286,768.50	287,963.36	289,163.21	3,391,853.75
Other employee benefits	13,369.56	13,425.27	13,481.21	13,537.38	13,593.78	13,650.42	13,707.30	13,764.41	13,821.77	13,879.36	13,937.19	13,995.26	164,162.89
Medical supplies	22,098.83	22,190.91	22,283.37	22,376.21	22,469.45	22,563.07	22,657.08	22,751.49	22,846.29	22,941.48	23,037.07	23,133.06	271,348.30
Outside Reading													
Office rent	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	31,827.00	381,924.00
Marketing and advertising	33,148.24	33,286.36	33,425.05	33,564.32	33,704.17	33,844.61	33,985.63	34,127.23	34,269.43	34,412.22	34,555.60	34,699.59	407,022.45
Utilities, telephone and internet	27,623.53	27,738.63	27,854.21	27,970.27	28,086.81	28,203.84	28,321.36	28,439.36	28,557.86	28,676.85	28,796.34	28,916.32	339,185.37
Insurance													
Malpractice	5,524.71	5,547.73	5,570.84	5,594.05	5,617.36	5,640.77	5,664.27	5,687.87	5,711.57	5,735.37	5,759.27	5,783.26	67,837.07
Other	3,314.82	3,328.64	3,342.51	3,356.43	3,370.42	3,384.46	3,398.56	3,412.72	3,426.94	3,441.22	3,455.56	3,469.96	40,702.24
Professional fees (legal, accounting, consulting, IT)	22,098.83	22,190.91	22,283.37	22,376.21	22,469.45	22,563.07	22,657.08	22,751.49	22,846.29	22,941.48	23,037.07	23,133.06	271,348.30
Management fees													
Medical equipment fee													
Medical equipment rental													
Equipment rental													
Office supplies	2,209.88	2,219.09	2,228.34	2,237.62	2,246.94	2,256.31	2,265.71	2,275.15	2,284.63	2,294.15	2,303.71	2,313.31	27,134.83
Outside services (equipment maintenance, other)	82,870.60	83,215.89	83,562.63	83,910.80	84,260.43	84,611.52	84,964.07	85,318.08	85,673.58	86,030.55	86,389.01	86,748.96	1,017,556.12
Licenses and permits	3,314.82	3,328.64	3,342.51	3,356.43	3,370.42	3,384.46	3,398.56	3,412.72	3,426.94	3,441.22	3,455.56	3,469.96	40,702.24
Training and seminars	1,657.41	1,664.32	1,671.25	1,678.22	1,685.21	1,692.23	1,699.28	1,706.36	1,713.47	1,720.61	1,727.78	1,734.98	20,351.12
Travel	11,049.41	11,095.45	11,141.68	11,188.11	11,234.72	11,281.54	11,328.54	11,375.74	11,423.14	11,470.74	11,518.53	11,566.53	135,674.15
Taxes, other	276.24	277.39	278.54	279.70	280.87	282.04	283.21	284.39	285.58	286.77	287.96	289.16	3,391.85
Other operating costs	38,672.95	38,834.08	38,995.89	39,158.38	39,321.54	39,485.38	39,649.90	39,815.11	39,981.00	40,147.59	40,314.87	40,482.85	474,859.52
	619,489.82	621,938.41	624,397.21	626,866.25	629,345.58	631,835.25	634,335.28	636,845.73	639,366.64	641,898.06	644,440.02	646,992.57	7,597,750.83
Net Operating Income:	101,702.18	102,258.55	102,817.24	103,378.26	103,941.62	104,507.32	105,075.38	105,645.80	106,218.61	106,793.80	107,371.38	107,951.38	1,257,661.52
Debt Service:													
Partap (Meadows Bank Note)	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	149,181.72
Moonshell Smoke Ranch Debt	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	385,383.24
Capital Expenditures Budget:	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Income Taxes:	30,510.65	30,677.57	30,845.17	31,013.48	31,182.48	31,352.20	31,522.61	31,693.74	31,865.58	32,038.14	32,211.42	32,385.41	377,298.46
Available Cash Flow:	19,076.26	19,465.72	19,856.80	20,249.51	20,643.86	21,039.85	21,437.49	21,836.79	22,237.76	22,640.39	23,044.70	23,450.69	254,979.82

Kittusamy, LLP

Projections of Revenue and Expenses -- Year 4

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Projected Revenue:													
Patient revenue (LVR and LVC)	758,089.55	761,248.26	764,420.13	767,605.21	770,803.56	774,015.25	777,240.31	780,478.81	783,730.81	786,996.35	790,275.50	793,568.32	9,308,472.06
Other income (outside reading, supplemental sales, etc.)													
	758,089.55	761,248.26	764,420.13	767,605.21	770,803.56	774,015.25	777,240.31	780,478.81	783,730.81	786,996.35	790,275.50	793,568.32	9,308,472.06
Projected Expenses:													
Payroll													
Physicians	46,458.89	46,652.47	46,846.85	47,042.05	47,238.06	47,434.88	47,632.53	47,831.00	48,030.29	48,230.42	48,431.38	48,633.18	570,461.99
Non-physicians	290,368.06	291,577.92	292,792.83	294,012.80	295,237.86	296,468.01	297,703.30	298,943.73	300,189.33	301,440.12	302,696.12	303,957.35	3,565,387.42
Other employee benefits	14,053.57	14,112.13	14,170.93	14,229.97	14,289.27	14,348.80	14,408.59	14,468.63	14,528.91	14,589.45	14,650.24	14,711.28	172,561.78
Medical supplies	23,229.44	23,326.23	23,423.43	23,521.02	23,619.03	23,717.44	23,816.26	23,915.50	24,015.15	24,115.21	24,215.69	24,316.59	285,230.99
Outside Reading													
Office rent	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	32,781.81	393,381.72
Marketing and advertising	34,844.17	34,989.35	35,135.14	35,281.54	35,428.54	35,576.16	35,724.40	35,873.25	36,022.72	36,172.81	36,323.53	36,474.88	427,846.49
Utilities, telephone and internet	29,036.81	29,157.79	29,279.28	29,401.28	29,523.79	29,646.80	29,770.33	29,894.37	30,018.93	30,144.01	30,269.61	30,395.73	356,538.74
Insurance													
Malpractice	5,807.36	5,831.56	5,855.86	5,880.26	5,904.76	5,929.36	5,954.07	5,978.87	6,003.79	6,028.80	6,053.92	6,079.15	71,307.75
Other	3,484.42	3,498.94	3,513.51	3,528.15	3,542.85	3,557.62	3,572.44	3,587.32	3,602.27	3,617.28	3,632.35	3,647.49	42,784.65
Professional fees (legal, accounting, consulting, IT)	23,229.44	23,326.23	23,423.43	23,521.02	23,619.03	23,717.44	23,816.26	23,915.50	24,015.15	24,115.21	24,215.69	24,316.59	285,230.99
Management fees													
Medical equipment fee													
Medical equipment rental													
Equipment rental													
Office supplies	2,322.94	2,332.62	2,342.34	2,352.10	2,361.90	2,371.74	2,381.63	2,391.55	2,401.51	2,411.52	2,421.57	2,431.66	28,523.10
Outside services (equipment maintenance, other)	87,110.42	87,473.38	87,837.85	88,203.84	88,571.36	88,940.40	89,310.99	89,683.12	90,056.80	90,432.03	90,808.83	91,187.20	1,069,616.23
Licenses and permits	3,484.42	3,498.94	3,513.51	3,528.15	3,542.85	3,557.62	3,572.44	3,587.32	3,602.27	3,617.28	3,632.35	3,647.49	42,784.65
Training and seminars	1,742.21	1,749.47	1,756.76	1,764.08	1,771.43	1,778.81	1,786.22	1,793.66	1,801.14	1,808.64	1,816.18	1,823.74	21,392.32
Travel	11,614.72	11,663.12	11,711.71	11,760.51	11,809.51	11,858.72	11,908.13	11,957.75	12,007.57	12,057.60	12,107.84	12,158.29	142,615.50
Taxes, other	290.37	291.58	292.79	294.01	295.24	296.47	297.70	298.94	300.19	301.44	302.70	303.96	3,565.39
Other operating costs	40,651.53	40,820.91	40,991.00	41,161.79	41,333.30	41,505.52	41,678.46	41,852.12	42,026.51	42,201.62	42,377.46	42,554.03	499,154.24
	650,510.57	653,084.44	655,669.04	658,264.40	660,870.58	663,487.62	666,115.56	668,754.45	671,404.33	674,065.26	676,737.27	679,420.42	7,978,383.95
Net Operating Income:	107,578.98	108,163.81	108,751.09	109,340.81	109,932.99	110,527.63	111,124.75	111,724.36	112,326.47	112,931.09	113,538.23	114,147.89	1,330,088.11
Debt Service:													
Meadows Bank	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	12,431.81	-	-	-	-	-	-	74,590.86
Moonshell Smoke Ranch Debt	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	32,115.27	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	310,792.38
Capital Expenditures Budget:	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Income Taxes:	32,273.69	32,449.14	32,625.33	32,802.24	32,979.90	33,158.29	33,337.43	33,517.31	33,697.94	33,879.33	34,061.47	34,244.37	399,026.43
Available Cash Flow:	23,190.01	23,599.40	24,010.49	24,423.30	24,837.82	25,254.07	38,103.87	38,523.59	38,945.07	39,368.30	39,793.30	40,220.07	380,269.29

Kittusamy, LLP

Projections of Revenue and Expenses -- Year 5

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Projected Revenue:													
Patient revenue (LVR and LVC)	796,874.85	800,195.16	803,529.31	806,877.35	810,239.34	813,615.34	817,005.40	820,409.59	823,827.96	827,260.58	830,707.50	834,168.78	9,784,711.15
Other income (outside reading, supplemental sales, etc.)													
	796,874.85	800,195.16	803,529.31	806,877.35	810,239.34	813,615.34	817,005.40	820,409.59	823,827.96	827,260.58	830,707.50	834,168.78	9,784,711.15
Projected Expenses:													
Payroll													
Physicians	48,835.81	49,039.30	49,243.63	49,448.81	49,654.85	49,861.74	50,069.50	50,278.12	50,487.61	50,697.98	50,909.22	51,121.34	599,647.91
Non-physicians	305,223.84	306,495.60	307,772.67	309,055.06	310,342.79	311,635.88	312,934.36	314,238.26	315,547.58	316,862.36	318,182.62	319,508.38	3,747,799.41
Other employee benefits	14,772.58	14,834.13	14,895.94	14,958.01	15,020.33	15,082.92	15,145.76	15,208.87	15,272.24	15,335.87	15,399.77	15,463.94	181,390.37
Medical supplies	24,417.91	24,519.65	24,621.81	24,724.40	24,827.42	24,930.87	25,034.75	25,139.06	25,243.81	25,348.99	25,454.61	25,560.67	299,823.95
Outside Reading													
Office rent	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	33,765.26	405,183.17
Marketing and advertising	36,626.86	36,779.47	36,932.72	37,086.61	37,241.13	37,396.31	37,552.12	37,708.59	37,865.71	38,023.48	38,181.91	38,341.01	449,735.93
Utilities, telephone and internet	30,522.38	30,649.56	30,777.27	30,905.51	31,034.28	31,163.59	31,293.44	31,423.83	31,554.76	31,686.24	31,818.26	31,950.84	374,779.94
Insurance													
Malpractice	6,104.48	6,129.91	6,155.45	6,181.10	6,206.86	6,232.72	6,258.69	6,284.77	6,310.95	6,337.25	6,363.65	6,390.17	74,955.99
Other	3,662.69	3,677.95	3,693.27	3,708.66	3,724.11	3,739.63	3,755.21	3,770.86	3,786.57	3,802.35	3,818.19	3,834.10	44,973.59
Professional fees (legal, accounting, consulting, IT)	24,417.91	24,519.65	24,621.81	24,724.40	24,827.42	24,930.87	25,034.75	25,139.06	25,243.81	25,348.99	25,454.61	25,560.67	299,823.95
Management fees													
Medical equipment fee													
Medical equipment rental													
Equipment rental													
Office supplies	2,441.79	2,451.96	2,462.18	2,472.44	2,482.74	2,493.09	2,503.47	2,513.91	2,524.38	2,534.90	2,545.46	2,556.07	29,982.40
Outside services (equipment maintenance, other)	91,567.15	91,948.68	92,331.80	92,716.52	93,102.84	93,490.76	93,880.31	94,271.48	94,664.27	95,058.71	95,454.79	95,852.52	1,124,339.82
Licenses and permits	3,662.69	3,677.95	3,693.27	3,708.66	3,724.11	3,739.63	3,755.21	3,770.86	3,786.57	3,802.35	3,818.19	3,834.10	44,973.59
Training and seminars	1,831.34	1,838.97	1,846.64	1,854.33	1,862.06	1,869.82	1,877.61	1,885.43	1,893.29	1,901.17	1,909.10	1,917.05	22,486.80
Travel	12,208.95	12,259.82	12,310.91	12,362.20	12,413.71	12,465.44	12,517.37	12,569.53	12,621.90	12,674.49	12,727.30	12,780.34	149,911.98
Taxes, other	305.22	306.50	307.77	309.06	310.34	311.64	312.93	314.24	315.55	316.86	318.18	319.51	3,747.80
Other operating costs	40,651.53	40,820.91	40,991.00	41,161.79	41,333.30	41,505.52	41,678.46	41,852.12	42,026.51	42,201.62	42,377.46	42,554.03	499,154.24
	681,018.40	683,715.28	686,423.41	689,142.82	691,873.56	694,615.67	697,369.22	700,134.23	702,910.77	705,698.88	708,498.60	711,309.99	8,352,710.83
Net Operating Income:	115,856.46	116,479.88	117,105.90	117,734.53	118,365.78	118,999.66	119,636.18	120,275.35	120,917.19	121,561.70	122,208.90	122,858.79	1,432,000.32
Debt Service:													
Meadows Bank	-	-	-	-	-	-	-	-	-	-	-	-	-
Moonshell Smoke Ranch Debt	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	19,683.46	236,201.52
Capital Expenditures Budget:	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Income Taxes:	34,756.94	34,943.96	35,131.77	35,320.36	35,509.73	35,699.90	35,890.85	36,082.61	36,275.16	36,468.51	36,662.67	36,857.64	429,600.10
Available Cash Flow:	41,416.06	41,852.46	42,290.67	42,730.71	43,172.59	43,616.30	44,061.87	44,509.29	44,958.57	45,409.73	45,862.77	46,317.69	526,198.70

Projected Quarterly Payments to General Unsecured Creditors

Year 1

Q1	Q2	Q3	Q4	
30,015.31	33,145.33	36,314.64	43,358.72	142,834.01

Year 2

Q1	Q2	Q3	Q4	
46,640.42	50,002.84	53,407.47	56,854.84	206,905.57

Year 3

Q1	Q2	Q3	Q4	
58,398.77	61,933.23	65,512.04	69,135.78	254,979.82

Year 4

Q1	Q2	Q3	Q4	
70,799.91	74,515.19	115,572.53	119,381.67	380,269.29

Year 5

Q1	Q2	Q3	Q4	
125,559.19	129,519.60	133,529.73	137,590.19	526,198.70

Total 1,511,187.40

Minimum Quarterly Payments to General Unsecured Creditors

Year 1

Q1	Q2	Q3	Q4	
10,000.00	15,000.00	25,000.00	30,000.00	80,000.00

Year 2

Q1	Q2	Q3	Q4	
40,000.00	40,000.00	45,000.00	45,000.00	170,000.00

Year 3

Q1	Q2	Q3	Q4	
50,000.00	50,000.00	55,000.00	55,000.00	210,000.00

Year 4

Q1	Q2	Q3	Q4	
60,000.00	60,000.00	65,000.00	65,000.00	250,000.00

Year 5

Q1	Q2	Q3	Q4	
70,000.00	70,000.00	75,000.00	75,000.00	290,000.00

Total 1,000,000.00

Debt Service: