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6 **UNITED STATES BANKRUPTCY COURT**
 7 **DISTRICT OF NEVADA**
 8

9 In re:

10
 11 LANI ALFARO DIZON,

12
 13 Debtor.

Bankruptcy Case No. BK-S-15-16804-MKN
 Chapter 11

**DEBTOR'S DISCLOSURE STATEMENT
 PLAN #1**

Hearing Date: TBD
 Hearing Time: TBD

16
 17 **TO THE HONORABLE BANKRUPTCY JUDGE MIKE K. NAKAGAWA, U.S.**
 18 **BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA, AND TO ALL**
 19 **CREDITORS, EQUITY SECURITY HOLDERS, AND PARTIES IN INTEREST:**

20 COMES NOW, Debtor in Possession, LANI DIZON ("Debtor") by and
 21 through Debtor's attorney, TIMOTHY S. CORY, ESQ. of TIMOTHY S. CORY &
 22 ASSOCIATES, who respectfully submits this Disclosure Statement ("Disclosure
 23 Statement") pursuant to 11 U.S.C. §1125.
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1 **1. INTRODUCTION**

2 This Disclosure Statement contains information about LANI DIZON, and describes the
3 Debtor’s Plan of Reorganization – Plan #1 (the "Plan"). Article 5 of this Disclosure Statement
4 contains a summary of the plan including class treatment and distributions. A full copy of the
5 Plan is attached hereto as Exhibit 1 and also filed separately on the case docket. ***Your rights***
6 ***may be affected. You should read the Plan and this Disclosure Statement carefully and***
7 ***discuss them with your attorney. If you do not have an attorney, you may wish to consult***
8 ***one.***

9 **1.1. Purpose of This Document.** This Disclosure Statement is submitted pursuant to 11
10 U.S. C. §1125 and describes:

- 11 • The Debtor and significant events during the bankruptcy case,
- 12 • How the Plan proposes to treat claims or equity interest of the type you hold (i.e., what
13 you will receive on your claim or equity interest if the plan is confirmed),
- 14 • Who can vote on or object to the Plan,
- 15 • What factors the Bankruptcy Court (the “Court”) will consider when deciding whether
16 to confirm the Plan,
- 17 • Why the Plan proponent believes the Plan is feasible, and how the treatment of your
18 claim or equity interest under the Plan compares to what you would receive on your
19 claim or equity interest in liquidation, and
- 20 • The effect of confirmation of the Plan.

21 Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement
22 describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

23 **1.2 Deadlines for Voting and Objecting; Date of Confirmation Hearing.** The Court has not
24 yet confirmed the Plan described in this Disclosure Statement. The Order approving this
25 Disclosure Statement sets the following:

- 26 • The deadline for objecting to confirmation of the Plan.
- The time and place for Plan confirmation.
- The deadline for voting to accept or reject the Plan.

If the Order is conditional, the time and place of the hearing to finally approve this Disclosure
Statement and the deadline for objecting to the adequacy of disclosure.

1 COURT THAT THE INFORMATION CONTAINED HEREIN IS ACCURATE AND
2 COMPLETE. APPROVAL OF THIS DISCLOSURE STATEMENT IS NOT AN
3 INDICATION BY THE COURT OF THE
4 CONFIRMABILITY OF THE PLAN. THE ABILITY OF THE DEBTOR TO
5 ACHIEVE PROJECTED PERFORMANCE IS SUBJECT TO SUBSTANTIAL RISKS.
6 THEREFORE, PROJECTIONS PREPARED BY THE DEBTOR DO NOT
7 CONSTITUTE A GUARANTY OF RESULTS.

8 2.3 THIS DISCLOSURE STATEMENT MERELY CONTAINS A SUMMARY OF THE
9 PLAN. THE PLAN ITSELF SHALL CONTROL IN THE EVENT OF ANY
10 INCONSISTENCIES BETWEEN THE DOCUMENTS. STATEMENTS HEREIN ARE
11 MADE AS OF THE DATE THE DISCLOSURE STATEMENT IS EXECUTED BY
12 DEBTOR UNLESS ANOTHER TIME IS EXPRESSLY PROVIDED. THE DELIVERY
13 OF THIS DISCLOSURE STATEMENT SHALL NOT UNDER ANY
14 CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS NOT BEEN
15 ANY CHANGE IN THE INFORMATION PROVIDED SINCE THE DATE OF
16 EXECUTION.

17 **3. BACKGROUND**

18 **3.1. Description and History of Debtor, Debtor’s Business, and Insiders (if any).**

19 Lani Dizon is an individual who is employed as a motivational speaker by Zenza Life
20 Sciences, of which she is a 50% owner. Debtor also receives monthly rental income from an
21 Investment Property located at 6904 Via Bella Luna Ave, Las Vegas, NV (“Investment
22 Property”) which is not operated as an independent business entity.

23 Pursuant to 11 U.S.C. §101(31) (A), as an individual, Debtor’s “insider” include:

24 N/A.

25 **3.2. Management of Finances.**

26 Both before and after the filing of this case, Debtor has managed Debtor's personal affairs
and the Investment Property. Debtor will continue to manage Debtor's own financial affairs
post confirmation and throughout the duration of the Plan though Debtor reserves the right
to retain financial professionals as needed.

3.3. Events Leading to the Chapter 11 Filing.

Debtor was no longer regularly generating enough income to maintain all creditor payments
and experienced a significant devaluation of the Investment Property.

3.4. Significant Events Occurring in this Bankruptcy

On Dec 9, 2015, Debtor filed a voluntary petition pursuant to Chapter 11 of the Bankruptcy
Code. The meeting of creditors (11 U.S.C. § 341) was held and concluded on or about
January 14, 2016. Debtor has remained in possession of estate property pursuant to 11
U.S.C. § 1107. Since filing the voluntary petition, Debtor's efforts have focused on
reorganization of secured debt. The case was re-designated a "small business case" as
defined under 11 U.S.C. § 101(51)(C & D). Debtor has filed an Application to Employ
(counsel) and a Motion To Value the Investment Property. On or about June 8, 2016, a
stipulated/agreed Order was entered valuing the Investment Property with Debtor's Secured

Creditor. There have been no other significant events during the pending proceedings and Debtor's finances have remained stable.

3.5. Prior Bankruptcy Proceedings.

There are no case associations for this case. Debtor has filed the following previous bankruptcy cases:

- None

3.6. Pending Litigation.

No pending litigation involving the Debtor or the Estate is presently pending or anticipated.

3.7. Fraudulent and Preferential Transfers.

To the best of Debtor's knowledge and belief there have not been any fraudulent or preferential transfers within one year of the bankruptcy filing.

3.8. Sources of Information for this Disclosure Statement. Information contained in this

Disclosure Statement and the Plan have not been audited. Descriptions, values, and facts provided are derived from the Debtor's experience in managing Debtor's personal affairs and finances and where applicable, from professionals employed by Debtor. Significant effort has been made to compile and review the information provided herein. Creditors are urged to review the Plan prior to voting.

4. OPERATIONS, CURRENT & HISTORICAL FINANCIAL CONDITIONS

Debtor's income is generated from personal employment and from rental income received from Debtor's Investment Property. Debtor has been able to improve cash reserves since the filing of this bankruptcy and also retain income which can be used to fund the Plan. Available funding as outlined in Schedule 1 "Cash Flow Analysis" attached hereto. A liquidation analysis is also attached as Schedule 2. On the case docket are full descriptions of estate assets and liabilities contained in Debtor's official schedules, as amended. Also available are various operating reports covering Debtor's post-petition performance.

4.1. Assets. Debtor's assets consist generally of the following:

Real Property:	Investment Property: 1. 6904 Via Bella Luna Ave, Las Vegas, NV
Personal Property:	Category 17 – Deposits of Money Category 6- Household Goods and Furnishings

	Category 11 – Wearing Apparel Category 3- Automobiles, Trucks, Trailers, etc. Category 7- Computer Category 42- Partnership or Joint Venture
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Note: Details regarding applicable exemptions and the extent to which these assets are encumbered are provided in Debtor’s official schedules, as amended, and Schedule 2, attached hereto.

4.2 Liabilities. The estimated liabilities of the Debtor are set forth in Debtor’s official schedules, as amended, as well as in post-petition operating reports include:

Proofs of Claim Filed – Total: (4 Claims)		
Secured Claims Total:		\$1, 318,829.08
Priority Claims Total:		\$449,501.51
Unsecured Claims Total:		\$213,440.35
	Total:	\$1,981,770.94
Schedule D – Creditors Holding Secured Claims		
Creditors Listed (2)	Total Scheduled:	\$1,147,975.37
Schedule E- Creditors Holding Unsecured Priority Claims		
Creditors Listed (1)	Total Scheduled:	Unknown
Schedule F- Creditors Holding Unsecured Non-Priority Claims		
Creditors Listed (9)	Total Scheduled:	\$119,436.78

Note: Plan payments (if any) shall be paid to creditors who have filed a proof of claim or who are deemed to have filed a proof of claim, that are not disputed, contingent, unliquidated, or otherwise allowed by order of the Court (11 U.S.C. § 1111 (a)). Scheduled claims may not match in amount, number, or classification, the actual proofs of claim filed. To ensure proper classification and the avoidance of redundant payments, the Plan and/or procedures to be approved by the Court will reconcile scheduled claims against filed proofs of claim, stipulated claims, and/or claims otherwise allowed. Debtor reserves its right to the full extent permissible under the Bankruptcy Code, to object to claims.

4.3 Valuation Discussion. Debtor believes the valuation of assets, estimated on schedules, as amended, are fair estimate(s) if the assets were to be sold at full market value. Should Debtor be converted to a Chapter 7 bankruptcy resulting in the liquidation of the Estate, it is highly possible that significantly lower value(s), or no value at all may be received for each claim. As such, the liquidation analysis in Schedule 2, should only be considered in the context of orderly sales transaction(s) with motivated purchasers. In the event of a liquidation, actual value received and resulting creditor payments may vary dramatically

1 depending on the specific markets available to sell Estate assets. Debtor believes the
2 highest potential (and timely) recovery available with the least risk to creditors will be
3 achieved through the proposed Plan.

4 **4.4. Feasibility and Future Expenses.** Debtor's Investment Property rental income and
5 personal income has remained stable over the past 6 months and is expected to continue to
6 do so. Debtor anticipates that the course of repayment will be certain other than unforeseen
7 business loss, personal disability, or a downturn in general economic activity which
8 exceeds worst estimates presently available to the general public. Debtor has sufficient net
9 income to fund proposed payments to Creditors under the Plan.

10 **4.5. Projected Recovery of Avoidable Transfers.** The Debtor does not intend to pursue
11 preference, fraudulent conveyance, or other avoidance actions.

12 **4.6. Claim Objections.** Except to the extent that a claim is already allowed pursuant to a final
13 non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if
14 your claim is allowed for voting purposes, you may not be entitled to a distribution if an
15 objection to your claim is later upheld. The procedures for resolving disputed claims are set
16 forth in Article 5 of the Plan.

17 **5. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF**
18 **CLAIMS AND EQUITY INTERESTS**

19 **5.1. What is the Purpose of the Plan of Reorganization?** As required by the Code, the Plan
20 places claims and equity interests in various classes and describes the treatment each class
21 will receive. The Plan also states whether each class of claims or equity interests is
22 impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the
23 amount provided by the Plan. This summary is not a solicitation for acceptance of the Plan.
24 Creditors should not rely on this summary to decide whether or not to vote in favor of or
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1 against the Plan. Creditors are expressly referred to the Plan itself as it contains binding
2 provisions which will not be summarized herein.

3 **5.2. Unclassified Claims.** Certain types of claims are automatically entitled to specific
4 treatment under the Code. They are not considered impaired, and holders of such claims do
5 not vote on the Plan. They may, however, object if, in their view, their treatment under the
6 Plan does not comply with that required by the Code. As such, the Plan Proponent has not
7 placed the following claims in any class:

8 **5.2.1. Administrative Expenses.** Administrative expenses are costs or expenses of
9 administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the
10 Code. Administrative expenses also include the value of any goods sold to the Debtor in
11 the ordinary course of business and received within 20 days before the date of the
12 bankruptcy petition. The Code requires that all administrative expenses be paid on the
13 effective date of the Plan, unless a particular claimant agrees to a different treatment. The
14 following administrative expenses presently apply to this case:

<p>15 Professional Fees, as approved by the Court.</p>	<p>These expenses consist of fees for services rendered and expenses incurred by counsel and other professional persons prior to the Effective Date of the Plan, as approved and allowed by order of the Court, and any other expenses incurred during the course of the Chapter 11 proceeding that have not yet been paid. Presently, the member(s) of this class include TIMOTHY S. CORY, ESQ., Counsel for the Debtor. Debtor engaged the Law Offices of Timothy S. Cory & Associates, under a general retainer for representation in these Chapter 11 proceedings. Debtor's Counsel has not filed any interim fee application(s) at this time. It is anticipated that, in addition to \$2,500.00 paid as a retainer prior to the filing of the bankruptcy, future legal fees will be approximately \$10,000 to \$15,000.00. Additional fees are subject to application, notice, and Court approval.</p>
<p>22 Office of the U.S. Trustee Fees</p>	<p>These expenses consist of various fees of the Office of the United States Trustee. The Reorganized Debtor shall timely pay post confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930 (a)(6) until such time as this Bankruptcy Court enters a final decree closing this Chapter 11 case, administratively closes, orders conversion to a case under Chapter 7, or dismisses this case. After Confirmation, the reorganized Debtor shall file with this Court and shall serve on the United States Trustee such reports as required by Trustee Guidelines and Federal Rule of Bankruptcy Procedure</p>

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	2015. In the event the Debtor owes pre-confirmation U.S. Trustee's fees on the date of confirmation, the Debtor shall pay all past due fees to the U.S. Trustee on or before the Effective Date of the Plan.
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5.2.2. Priority Tax Claims. Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, pursuant to § 1129(a)(9)(C) of the Code, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief. The following priority tax claims presently apply to this case: Internal Revenue Service. This claim will be determined and paid through the pending tax court case.

5.3. Classified Claims and Equity Interests. The following are the Classes set forth in the Plan, and the proposed treatment they will receive under the Plan.

5.3.1. Classes of Secured Claims. Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim. The following classes contain Debtor's secured prepetition claims and their proposed treatment under the Plan:

CLASS 1	IMPAIRED: Yes	INSIDER: No
Description:	Class 1 consists of the Secured Claim of The Bank of New York Mellon against Debtor's Investment Property located at 6904 Via Bella Luna Ave., Las Vegas, Nevada	
Valuation:	Per the "Stipulation RE: Motion to Value Collateral, "Strip Off" and Modify Rights of Creditor Pursuant to 11 U.S.C. §506(a), For Real Property " (the "Class 1 Stipulation")(See Docket #37), hereby incorporated by this reference, the Class One Secured Claim is valued at \$540,000.00	
Summary of Terms:	<ul style="list-style-type: none"> - Interest Rate: The current contract rate of 3.625% shall be fixed. - Payment Start Date: - Maturity Date: - Initial Fixed Monthly Payment: 	

	- The loan will remain impounded for taxes and hazard insurance with an initial monthly escrow payment of:
Unsecured Portion of the Claim:	Any amount of the original Class 1 Secured Claim that is deemed to be unsecured (approximately \$778,829.08) shall be converted to an Unsecured Claim and paid pro rata with general unsecured creditors.
Voting:	Class 1 is an impaired class and the holder of the Class 1 Secured Claim is entitled to vote to accept or reject the Plan.

5.3.2. Class[es] of General Unsecured Claims. General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan's proposed treatment of unsecured claims:

CLASS 2A	IMPAIRED: Yes	INSIDER: No
Description:	Class 2 consists of the Unsecured Claim(s) related to creditor's under-secured first and second liens against Debtor's Investment Property located at 6904 Via Bella Luna Ave., Las Vegas, Nevada.	
Valuation:	Per the Class 1 Stipulation (see above) hereby incorporated in its entirety by this reference, the Class 2A Unsecured Claim is valued at \$778,829.08.	
Summary of Terms:	Upon successful confirmation of the Plan, the Class 2A Unsecured Claims shall be reduced to \$0.00.	
Voting:	Class 2A is an impaired class and holders of Class 2A Unsecured Claims are entitled to vote to accept or reject the Plan.	

CLASS 2B	IMPAIRED: Yes	INSIDER: No
Description:	Class 2B consists of GENERAL UNSECURED CREDITORS of the Debtor.	
Summary of Terms:	All Class 2B Creditors having filed proofs of claims by April 13, 2016 (the "Deadline to File a Proof of Claim") or deemed to have filed proof of claims, that are not disputed, contingent, unliquidated, or otherwise approved by Order of the Court, shall be paid their pro rata portion of \$4800, to be paid in 48 equal payments of \$100, each, commencing on the 13 th month following the Effective Date of the Plan.	
Discharge of Claims:	For purposes of compliance with 11 U.S.C. 1141(5)(A) and subject to Court approval at the time of discharge, with respect to Class 2B, "...completion of all payments under the plan[.]" shall be deemed to have occurred upon payment to all Class 2B Creditors their full claim amount.	
Voting:	Class 2B is an unimpaired class and is deemed to accept the Plan. As such, Class 2B Creditors are not entitled to vote to accept or reject the Plan.	

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Procedures and Plan Disbursements:	<p>Debtor may seek approval of the Court for additional dividend disbursement procedures including but not limited to notice procedures and procedures to cover failed and/or unclaimed Plan disbursements, which shall conform to the following basic terms:</p> <p><u>Dividend(s)</u>: All payments to Class Three Creditors shall be in cash or cash equivalent.</p> <p><u>Term</u>: Debtor shall have up to six(6) months to pay Class Three Creditors from the date of Plan Confirmation.</p> <p><u>Notice of Final Dividend Payment</u>: Each final payment shall be accompanied by a Notice of Final Dividend Payment which shall detail Debtor’s compliance with the terms of this Plan with respect to the creditor receiving the final pro rata dividend installment.</p> <p><u>Disbursement Agent</u>: Debtor may serve as its own Disbursement Agent or may select a third party. Under no circumstances shall a third party Disbursement Agent be liable for Debtor’s failure to make payments under the Plan. Subject to Court approval, the third party Disbursement Agent shall be authorized to retain attorneys, if necessary, to object to claims, pay administrative expenses, and may collect a reasonable fee for administering Debtor’s post-confirmation estate from Debtor’s Plan payments. Disbursements to Class Three Creditors may be reduced as a result of approved Disbursement Agent fees.</p> <p><u>Disputed Claims</u>: No payments shall be made on Disputed Claims until the dispute is resolved by settlement between the parties or a final order of the Court. In the event of a Disputed Claim, the Disbursement Agent shall establish appropriate reserves limited to the potential pro rata dividend of the Disputed Claim. Should there be a Disputed Claim, payments to claimholders of non-disputed Class Three claims shall not cease except upon order of the Court.</p> <p><u>Unclaimed Property</u>: Debtor and Debtor’s Disbursement Agent are only required to make reasonable efforts to transmit dividend payments to Class 2B creditors. Failure by a creditor to update payment address(es) or timely process dividend payments received (regardless of the form of legal payment) may result in cancellation of payments and upon approval of the Court, forfeiture of Class 2B creditor’s dividend or portion thereof.</p>
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5.3.3. Class[es] of Equity Interest Holders. Equity interest holders are parties who hold

1 an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding
 2 preferred or common stock are equity interest holders. In a partnership, equity interest holders
 3 include both general and limited partners. In a limited liability company ("LLC"), the equity
 4 interest holders are the members. Finally, with respect to an individual who is a debtor, the
 5 Debtor is the equity interest holder. The following chart sets forth the Plan's proposed
 6 treatment

7 of the class[es] of equity interest holders:

CLASS 3	IMPAIRED: Yes	INSIDER: No
Description:	Equity Interest Holder – Lani Dizon	
Treatment:	Debtor shall retain under the Plan the following: 1) Investment Property subject to the Class 1 Stipulation.	

11 **5.4 Means of Implementing the Plan.**

12 **1. Source of Payments.** Payments and distributions under the Plan will be funded by
 13 the Investment Property rents and Debtor's wage income as required.

14 **2. Post-confirmation Management.** See 3.2 above.

15 **5.5. Risk Factors.** Various risk factors can affect the success of a Plan and/or require future
 16 amendment(s). Risk factors personal to the Debtor may include change or loss of
 17 employment, disability, unexpected expenses (business or otherwise), loss of customers,
 18 and management decisions which may negatively affect business revenue. Events beyond
 19 Debtor's control can also result in the inability to fund the Plan such as a general slowing of
 20 economic activity and/or events of "force majeure."

21 **5.6. Executory Contracts and Unexpired Leases.** The Plan describes which contracts and
 22 unexpired leases Debtor's intends to assume under the Plan. Assumption means that the
 23 Debtor has elected to continue to perform the obligations under such contracts and
 24 unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.
 25 If applicable, the Plan also lists how the Debtor will cure and compensate the other party to
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1 such contract or lease for any such defaults. If you object to the assumption of your
2 unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy
3 of assurance of performance, you must file and serve your objection to the Plan within the
4 deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier
5 time. All executory contracts and unexpired leases that are not expressly assumed will be
6 rejected under the Plan. Consult your adviser or attorney for more specific information
7 about particular contracts or leases. If you object to the rejection of your contract or lease,
8 you must file and serve your objection to the Plan within the deadline for objecting to the
9 confirmation of the Plan.

10 **5.7. Tax Consequences of Plan.** Distributions received from the Estate may be taxed. The
11 characterization of distributions for tax purpose depends upon the nature of the claim. The
12 method of accounting utilized by a creditor for income tax purposes may also affect the tax
13 consequences of a distribution. In general, the amount of gain (or loss) recognized by a
14 creditor distributee will be the difference between (i) the creditor's basis (if any) in the claim,
15 and (ii) the amount of the distribution. Characterization of a distribution as ordinary income or
16 capital gain depends generally upon whether the distribution results from a claim which would
17 otherwise generate ordinary income or would constitute a return of capital.

18 **STATEMENTS REGARDING INCOME TAX CONSEQUENCES ARE NOT BINDING**
19 **AND NO RULING HAS BEEN SOUGHT OR OBTAINED BY DEBTOR FROM THE**
20 **INTERNAL REVENUE SERVICE OR ANY OTHER TAXING AUTHORITY WITH**
21 **RESPECT TO THESE MATTERS. CREDITORS ARE URGED TO CONSULT THEIR**
22 **OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS TO DETERMINE**
23 **SPECIFIC TAX CONSEQUENCES UNDER FEDERAL, STATE, AND LOCAL LAWS,**
24 **WHICH MAY RESULT FROM CONFIRMATION AND CONSUMMATION OF THE**
25 **PLAN.**

26 **6. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of
the Code. These include the requirements that: the Plan must be proposed in good faith; at least
one impaired class of claims must accept the plan, without counting votes of insiders; the Plan

1 must distribute to each creditor and equity interest holder at least as much as the creditor or
2 equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or
3 equity interest holder votes to accept the Plan; and the Plan must be feasible. These
4 requirements are not the only requirements listed in § 1129, and they are not the only
5 requirements for confirmation.

6 **6.1. Who May Vote or Object.** Any party in interest may object to the confirmation of the
7 Plan if the party believes that the requirements for confirmation are not met. Many parties in
8 interest,
9 however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest
10 holder has a right to vote for or against the Plan only if that creditor or equity interest holder
11 has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2)
12 impaired. See Article 5 above for a description of Plan classes and their impairment status as
13 proposed.

14 **6.1.1. What Is an Allowed Claim or an Allowed Equity Interest?** Only a creditor or
15 equity interest holder with an allowed claim or an allowed equity interest has the right to
16 vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has
17 scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as
18 disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity
19 interest, unless an objection has been filed to such proof of claim or equity interest. When a
20 claim or equity interest is not allowed, the creditor or equity interest holder holding the
21 claim or equity interest cannot vote unless the Court, after notice and hearing, either
22 overrules the objection or allows the claim or equity interest for voting purposes pursuant
23 to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure. **The deadline for filing a**
24 **proof of claim in this case was December 2, 2015 and unless otherwise extended by**
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1 **court order, all objections to claims must be filed within sixty (60) days after entry of**
2 **an order confirming the Plan.**

3 **6.1.2. What Is an Impaired Claim or Impaired Equity Interest?** As noted above, the
4 holder of an allowed claim or equity interest has the right to vote only if it is in a class that
5 is impaired under the Plan. As provided in § 1124 of the Code, a class is considered
6 impaired if the Plan alters the legal, equitable, or contractual rights of the members of that
7 class.

8 **6.1.3. Who is Not Entitled to Vote.** The holders of the following five types of claims and
9 equity interests are not entitled to vote:

- 10 • holders of claims and equity interests that have been disallowed by an order of the
11 Court;
- 12 • holders of other claims or equity interests that are not "allowed claims" or "allowed
13 equity interests" (as discussed above), unless they have been "allowed" for voting
14 purposes.
- 15 • holders of claims or equity interests in unimpaired classes;
- 16 • holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the
17 Code; and
- 18 • holders of claims or equity interests in classes that do not receive or retain any value
19 under the Plan;
- 20 • administrative expenses.

21 **6.1.4. Who Can Vote in More Than One Class?** A creditor whose claim has been
22 allowed in part as a secured claim and in part as an unsecured claim, or who otherwise
23 hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity,
24 and should cast one ballot for each claim.

25 **6.2. Votes Necessary to Confirm the Plan.** If impaired classes exist, the Court cannot confirm
26 the Plan unless (1) at least one impaired class of creditors has accepted the Plan without
counting
the votes of any insiders within that class, and (2) all impaired classes have voted to accept the
Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes.

1 **6.2.1. Votes Necessary for a Class to Accept the Plan.** A class of claims accepts the Plan
2 if both of the following occur: (1) the holders of more than one-half (1/2) of the
3 allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the
4 holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class,
5 who vote, cast their votes to accept the Plan. A class of equity interests accepts the Plan
6 if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the
7 class, who vote, cast their votes to accept the Plan.

8 **6.2.2. Treatment of Nonaccepting Classes.** Even if one or more impaired classes reject
9 the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are
10 treated in the manner prescribed by § 1129(b) of the Code. A plan that binds
11 nonaccepting classes is commonly referred to as a "cram down" plan. The Code allows
12 the Plan to bind nonaccepting classes of claims or equity interests if it meets all the
13 requirements for consensual confirmation except the voting requirements of §
14 1129(a)(8) of the Code, does not "discriminate unfairly" and is "fair and equitable"
15 toward each impaired class that has not voted to accept the Plan. The requirement that a
16 plan not discriminate unfairly generally refers to whether similar claims or equity
17 interests are treated similarly.

18 **6.2.3. Non-Accepting Secured Class(es).** With respect to secured creditors, to be fair and
19 equitable, a plan must permit a secured creditor to retain its lien and be paid the full
20 value of its secured claim. (See § 1129(b)(2)(A)).

21 **6.2.4. Non-Accepting Unsecured Class(es).** The "fair and equitable" plan standard with
22 respect to a non-accepting unsecured class can be found at § 1129(b)(2)(B). Subsection
23 (ii) applies where an unsecured class is not receiving or retaining property equal to the
24 allowed amount of their claim(s). Recently the 9th Circuit Court of Appeals clarified
25 that the standard under subsection (ii) for permitting retention of property under a plan
26

1 of reorganization, applies to the pre-petition property of an individual debtor.² The
 2 subsection (ii) standard does not apply to the retention of property included in the
 3 bankruptcy estate by way of 11 U.S.C. §1115 though (property acquired after the
 4 commencement of the case).

5 **6.3. Non-Consensual Confirmation.** Debtor believes the Plan conforms with the
 6 requirements of § 1129(b)(2)(A) and (B). In particular, should there be a non-accepting
 7 unsecured class, Debtor believes the Plan can be confirmed for reasons which include:³

8 **6.3.1. Certain Retained Estate Assets Are Exempt:** A portion of the property proposed
 9 to be retained by the Debtor is exempt and thus excluded from the bankruptcy estate
 10 under 11 U.S.C. §522.

11 **6.3.2. Certain Under-Secured Property Is Retained Under the Plan Solely At The**
 12 **Discretion Of Controlling Creditor(s).** Debtor has negotiated retention of certain
 13 property from creditor(s) who have sole authority and discretion with respect to said
 14 property. Unsecured creditors have no interest either directly or derivatively (i.e. via
 15 their interest in the Bankruptcy Estate) in the subject property as it was exempt or was
 16 without equity on the petition date.

17 **UPON SATISFACTION OF 11 U.S.C. §1129(a) GENERAL CONFIRMATION**
 18 **STANDARDS, BUT EXCLUDING PARAGRAPH (8), DEBTOR WILL REQUEST THE**
 19 **COURT CONFIRM A PLAN UNDER THE STANDARDS SET FORTH IN §1129(b).**
 20 **YOU SHOULD CONSULT YOUR OWN ATTORNEY IF YOU BELIEVE YOUR**
 21 **CLAIM, INTEREST, OR ANY OTHER RIGHT(S) YOU HAVE, MAY BE AFFECTED**
 22 **ASA RESULT.**

23 **6.4. Liquidation Analysis.** To confirm the Plan, the Court must find that all creditors and
 24 equity interest holders who do not accept the Plan will receive at least as much under the Plan
 25

26 ² See *Zachary v California Bank & Trust*, 2016 WL 360519 (9th Cir. Jan. 28, 2016). 11 U.S.C. 1129(b)(2)(B)(ii) constitutes to the extent intended by Congress, codification of the judicial doctrine commonly referred to as the “Absolute Priority Rule”.

³ As proposed, a “cram down” scenario under the Plan is highly unlikely as Class 2B creditor(s) shall be paid the full amount of their claim(s) and do not vote. Class 2A is for voting purposes only and the sole Class 2A claim is to be forgiven upon confirmation of the Plan per the Class 1 Stipulation.

1 as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation
2 analysis is attached to this Disclosure Statement as Schedule 2.

3 6.5. Feasibility. With respect to feasibility, the court is only required to determine whether a
4 plan can be accomplished. This entails determining:

- 5 • The availability of cash for payments required at confirmation;
- 6 • The ability of the debtor to make payments called for under the plan; and
- 7 • The absence of other factor(s) which might make it impossible for a debtor to accomplish what is promised in the plan as contemplated.

8 The Court's judgment on these matters does not constitute an expression of the Court's opinion
9 as to whether the plan is a good one or an opinion by the Court regarding any debt instrument
10 or equity interest or security interest issued to creditors under the plan. Rather, the Court's
11 judgment is merely that the plan complies with the applicable Bankruptcy Code provisions and
12 has garnered sufficient votes by its creditors for confirmation.

13 7. ALTERNATIVES TO THE PROPOSED PLAN

14 Debtor believes the Plan will realize the maximum available benefit for creditors. If the
15 Plan is not confirmed, however, the Debtor will seek other avenues for resolution and/or
16 liquidation of debts.

17 **7.1. Conversion.** In the event no suitable alternative to the Plan can be found, Debtor may be
18 compelled to recommend conversion of this Chapter 11 case to a case under Chapter 7 with
19 resulting liquidation of the Estate. Creditors are encouraged to reach their own conclusions but
20 Debtor is of the opinion that a forced liquidation of assets will not be in the best interest of
21 creditors for the following reasons:

- 22 • To evaluate the Debtor's assets and liabilities, the newly appointed Chapter 7 Trustee will require time to become familiar with the Debtor's financial affairs, interview persons, and review documents and operations;
- 23 • Additional administrative expenses entitled to priority over general unsecured claims will be incurred, such as Trustee commissions and fees for any professionals retained;
- 24 • There will likely be no distribution, if any, to the creditors until the case is ready to be closed;
- 25 • Secured creditors must be paid in full first from the sale of encumbered assets which presently appraise for less than amounts due under applicable security agreements; and
- 26

- The bulk of the Estate's unencumbered personal property is exempt under applicable law.

Debtor has prepared a "Liquidation Analysis," attached hereto as Schedule 2 which illustrates the likely outcome of a liquidation of the Estate. This analysis is conservative though and assumes an orderly liquidation, low transaction costs, and estimated sales proceeds that may not reflect market reality in a forced sale. Additionally, certain costs of liquidation such as auction or broker's fees, salvage costs, and incidental expenses have not been accounted for.

7.2. Dismissal. Dismissal of the case would, in the Debtor's opinion, lead to an unsatisfactory result as well. Dismissal will likely result in secured creditor(s) initiating foreclosure proceedings on the Investment Property that Debtor is attempting to reorganize. As stated previously, limited personal assets will be available for the creditors to secure judgments against, as a significant portion are exempt or have only modest equity. Creditors may incur significant costs as well as be forced into conflict with other creditors. Further, these actions would cause the Debtor to incur more expenses in the form of professional fees, etc., thereby leaving even less for distribution to creditors. It should be noted that a vote against the Plan leading to rejection of the Plan will not alter the present status of the Debtor. A vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what turn the proceedings will take if the Plan is rejected. If you believe one of the alternatives referred to above is preferable to the Plan and you wish to urge it upon the Court, you should consult independent counsel.

8. IMPLEMENTATION OF THE PLAN, JURISDICTION

Implementation of the Plan occurs after entry of an order by the Bankruptcy Court confirming the Plan. If accepted and approved as filed, implementation of the Plan shall begin as soon as practicable after Confirmation. Notwithstanding confirmation of the Plan, the Court will retain jurisdiction (i) to determine the allowance of claims upon objection by a party in interest, (ii) to determine requests for payment of administrative claims and expenses,

1 including compensation, entitled to priority under §507(a)(I) of the Code, (iii) to resolve
2 disputes regarding interpretation of the Plan, (iv) to modify the Plan, (v) to implement
3 provisions of the Plan, (vi) to adjudicate any cause of action brought by the Debtor or Trustee
4 as representatives of the Estate, (vii) to enter a final decree, and (viii) for other purposes.

5 **9. MODIFICATION OF PLAN**

6 **9.1. Modification Prior to Confirmation.** The Debtor may modify a plan at any time before
7 confirmation of the plan, but modified plans must meet the requirements of §§ 1122 and 1123
8 of the Bankruptcy Code. However, the Court may require a new disclosure statement and/or re
9 voting on the Plan.

10 **9.2. Modification After Confirmation.** If the debtor is an individual, as in this present case,
11 the plan may be modified at any time after confirmation of the plan but before the completion
12 of payments under the plan, whether or not the plan has been substantially consummated.
13 Modification may be upon request of the Debtor, the Trustee, the United States Trustee, or the
14 holder of an allowed unsecured claim for the purpose of (1) increasing or reducing the amount
15 of payments under a plan on claims of a particular class provided for by the plan, (2) extending
16 or reducing the time period for such payments, or (3) altering the amount of distribution to a
17 creditor whose claim is provided for by the plan to the extent necessary to take account of any
18 payment of such claim made other than under the plan.

19 **DEBTOR RESERVES THE RIGHT TO AMEND OR MODIFY THE PLAN PRIOR TO**
20 **THE ENTRY OF THE CONFIRMATION ORDER. FURTHERMORE, AFTER THE**
21 **ENTRY OF THE CONFIRMATION ORDER, THE DEBTOR MAY, UPON ORDER**
22 **OF THE BANKRUPTCY COURT, AMEND OR MODIFY THE PLAN, IN**
23 **ACCORDANCE WITH SECTION 1127(E) OF THE BANKRUPTCY CODE OR**
24 **REMEDY ANY DEFECT OR OMISSION OR RECONCILE ANY INCONSISTENCY**
25 **IN THE PLAN IN SUCH MANNER AS MAY BE NECESSARY TO CARRY OUT THE**
26 **PURPOSE AND INTENT OF THE PLAN, SUBJECT TO COMPLIANCE WITH ALL**
APPLICABLE REQUIREMENTS OF THE BANKRUPTCY CODE.

1 **10. EFFECT OF CONFIRMATION OF PLAN**

2 **10.1. No Immediate Discharge of Debtor.** Unless after notice and hearing and the Court
3 orders otherwise for cause, confirmation of this Plan does not discharge any debt provided for
4 in this Plan until the Court grants a discharge on completion of all payments under this Plan.
5 Alternatively, should Debtor demonstrate compliance with the requirements of 11 U.S.C.
6 1141(d)(5)(B) & (C), at any time after confirmation of the Plan, and after notice and a hearing,
7 the Court may grant a discharge prior to completion of payments under the Plan.

8 **10.2. Vesting.** Property of the Estate will vest in the reorganized Debtor thirty days after entry
9 of the final Confirmation Order.

10 **10.3. Final Decree.** Once the estate has been fully administered, as provided in Rule 3022 of
11 the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the
12 Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to
13 obtain a final decree to close the case. Alternatively, the Court may enter such a final decree
14 on its own motion.

15 **11. CONCLUSION**

16 Debtor believes that the Plan as proposed will provide a better outcome for creditors to
17 receive maximum potential payment on claims in a timely fashion than that which would occur
18 resulting from a Chapter 7 liquidation or distress sale of Debtor's assets. If the Plan is not
19 approved, Debtor will continue to seek reorganization alternatives. Liquidation may ensue
20 though with the potential consequences discussed above in Article 7.

21 Dated: October 4, 2016

22 Respectfully submitted by

23
24 /s/ Timothy S. Cory
25 TIMOTHY S. CORY, ESQ.
26 Attorney for Debtor

1 **SCHEDULE 1 – CASH FLOW ANALYSIS**

2 **Debtor:**

Case Number:

3 **LANI DIZON**

14-17471-MKN

4 This analysis is based on a number of estimates and assumptions that, although
5 considered reasonable by the Debtor, are inherently subject to significant economic, business
6 and competitive uncertainties and contingencies beyond the control of the Debtor. This analysis
7 is also based on the Debtor's best judgment of how likely it is that Debtor will be able to retain
8 the same level of income throughout the life of the Plan. There can be no assurance that the cash
9 flow estimates reflected in this analysis will be realized if the Debtor is unable to maintain
10 current income and actual results may vary materially and adversely from those contained herein.

11 **CURRENT AND PROJECTED MONTHLY INCOME/EXPENSE SUMMARY**

<p>12 Notes:</p> <p>13 1. Income projection is estimated.</p> <p>14 2. "Current: column includes non-adjusted mortgage payments and "Projected" column includes adjusted mortgage payments per the Plan.</p> <p>15 3. Entries are rounded to nearest whole dollar amount.</p> <p>16 4. "Schedule" references refer to Debtor's Official Form B 6I & 6J.</p> <p>17 5. Estimate based on previous payments.</p> <p>18 6. Per stipulated agreement (See Docket #35) valuing property at \$540,000 amortized over 30 years at 3.625% interest. Includes escrow for tax and hazard insurance.</p>	Income	Current	Projected
	Rental Income – 6904 Via Bella Luna, Las Vegas, NV	\$2500	\$2500
	Debtor's Net Income	\$5466	\$5500
	Total Income Schedule I – Line 8a	\$7966	\$8000
	Expenses	Current	Projected
	Mortgage Payment	\$4830.77	\$2700
	Monthly Expenses	\$4803	\$5200
	Total Expenses	\$9633.77	\$7900
	Cash Flow (Disposable Income)	(\$1667.77)	\$100

SCHEDULE 2 – LIQUIDATION SUMMARY ANALYSIS

Debtor:**Case Number:****LANI DIZON****14-17471-MKN**

CURRENT AND PROJECTED MONTHLY INCOME/EXPENSE SUMMARY

List of Debtor's Real Property, Lien Amounts, Exemptions, and Equity

Property	Lien Amounts	Equity	Exempt	Non-Exempt
6904 Via Bella Luna, Las Vegas, NV	\$1,318,829.08	(\$778,829.08)	N/A	N/A

List of Debtor's Personal Property, Lien Amounts, Exemptions and Equity

Property	Lien Amounts	Equity	Exempt	Non-Exempt
Financial Assets	\$0	\$667.20	\$500.40	\$166.80
Personal Clothing	\$0	\$1500	\$1500	\$0
Household furniture	\$0	\$6500	\$6500	\$0
Autos, Trucks, Etc.	\$0	\$13,738	\$12,197	\$1541
Totals	\$0.00	\$22,405.20	\$12,016.88	\$1707.80
Adjustments				
11 U.S.C. §326 Estimated Chapter 7 Administrative Expenses				\$125.00
Liquidation Value				\$1582.80

EXHIBIT 1

1 TIMOTHY S. CORY, ESQ.
 Nevada Bar No. 1972
 2 **TIMOTHY S. CORY & ASSOCIATES**
 3 8831 West Sahara Avenue
 Las Vegas, NV 89117
 4 Telephone No. (702) 388-1996
 tim.cory@corylaw.us
 5 *Attorneys for Debtor*

6 **UNITED STATES BANKRUPTCY COURT**
 7 **DISTRICT OF NEVADA**

9 In re:

11 LANI ALFARO DIZON,

14 Debtor.

Bankruptcy Case No. BK-S-15-16804-MKN
 Chapter 11

**DEBTOR’S PLAN OF REORGANIZATION
 PLAN #1**

Date:

Time:

17 **ARTICLE 1: SUMMARY**

18 This Plan of Reorganization (the “Plan”) under Chapter 11 of the Bankruptcy Code
 19 proposes to pay creditors of LANI DIZON ("Debtor" and/or "Debtor in Possession") from:

- 20 (1) Cash flow from Investment Property rental operations, and
- (2) Future wage income.

21 **CLASSIFICATION OF CLAIMS AND INTERESTS**

22 Class 1	Secured Claim of The Bank of New York Mellon
23 Class 2A	Unsecured claim of The Bank of New York Mellon for the undersecured portion of its claims secured by Debtor’s investment property located at 6904 Via Bella Luna, Las Vegas, Nevada
24 Class 2B	General Unsecured Claims – All unsecured claims allowed under §502 of the Code.
25 Class 3	The interest of the individual Debtor in property of the Estate received under the Plan.
26 Other	This Plan also provides for the payment of administrative and priority claims, if any, as specifically provided.

1 All creditors and equity security holders should review this Plan carefully for information
2 regarding the precise treatment of their claim. A Disclosure Statement that provides more detailed
3 information regarding this Plan and the rights of creditors and equity security holders has been
4 circulated with this Plan. **Your rights may be affected. You should read these papers carefully
and discuss them with your attorney, if you have one. (If you do not have an attorney, you
may wish to consult one.)**

5 **ARTICLE 2: DEFINITIONS**

6 Unless the context otherwise requires, the following terms shall have the meanings provided
7 below when used in the Plan and related Disclosure Statement(s). Terms not defined in this Article
8 shall have, as applicable, any meaning provided in the United States Bankruptcy Code (the "Code"
9 11 U.S.C. § 101 et seq., as amended).

10 **2.1.** "Administrative Claim" and "Administrative Expense" shall mean claim(s) made pursuant to §
11 503(b) of the Code (defined below) and entitled to priority under §507(a)(2) of the Code.

12 **2.2.** "Allowed Claim" as to all classes, secured or unsecured, shall mean a claim against a Debtor:
13 (a) for which a Proof of Claim has been timely filed with the Court by the Bar Date or
14 which has been otherwise allowed by Final Order of the Court, or
15 (b) entered in Debtor's official schedules filed pursuant to Rule 1007(b), as may be
16 amended, and not listed as disputed, contingent or unliquidated as to amount,
17 to which no objection to the allowance thereof by the Debtor or any party-in- interest
18 has been interposed through closing of this case, and if so, with no proceeding pending
19 and determined by an order no longer subject to appeal or certiorari.

20 **2.3.** "Secured Claim" shall mean an Allowed Claim secured by a lien, security interest or other
21 encumbrance on property owned by the Debtor, which lien, security interest, or other
22 encumbrance has been properly perfected as required by the law, to the extent of the value of
23 the property encumbered thereby which existed on the date of the filing of the petition or which
24 was authorized by the Court thereafter. That portion of such Claim exceeding the value of the
25 security held thereof shall be an Unsecured Claim as defined below and determined pursuant to
26 11 U.S.C. § 506(a).

2.4. "Bankruptcy Rules" or "Rules" means the Federal Rules of Bankruptcy Procedure and Local
Rules of Bankruptcy Procedure as adopted by the Court, as amended.

2.5. "Class " shall refer to a category of holders of claims or interest which are "substantially
similar" as provided for in 1122 of the Code.

2.6. "Confirmation" or "Confirmation of the Plan" shall mean entry by the Court of an order
confirming this Plan at or after a hearing pursuant to § 1129 of the Code.

2.7. "Court" shall mean the United States Bankruptcy Court for the District of Nevada, Las Vegas
Division, or any other necessary court of competent jurisdiction.

2.8. "Disclosure Statement" means the disclosure statement in this Case as approved by order of
the Court.

2.9. "Estate" means the bankruptcy estate created upon commencement on the case pursuant to §

541 and § 1115 (as applicable) of the Code.

2.10. "Final Order" means an order of the Court that has been entered and either; (a) the time for appeal for such entered order has expired with no appeal having been timely filed, or (b) any appeal that had been timely filed and has been dismissed or otherwise finally determined.

2.11. "Impaired" shall have the meaning provided in § 1124 of the Code.

2.12. "Priority Claim" shall mean any claim entitled to priority pursuant to § 507(a) of the Code.

2.13. "Pro Rata" distribution means that the distribution for a particular Allowed Claim shall be proportional to the distributions made on all allowed claims of the Class in which the particular allowed claim is included.

2.14. "Rejection Claim" shall mean any claim arising out of the rejection of a lease of executory contract pursuant to § 363 of the Code, which claim shall be treated as an unsecured claim.

2.15. "Tax Claims" shall mean any claims entitled to priority under § 507(a)(8) of the code and shall include the claims of taxing authorities for taxes owed on the property retained by the Debtor under the Plan.

2.16. "Unclaimed Property" means any distribution(s) which are unclaimed following the date of distribution. Unclaimed property shall include (a) checks (and funds represented thereby) which have been returned as undeliverable without a property forwarding address, (b) funds for checks which have not been paid, (c) checks (and the funds represented thereby) which were not mailed or delivered because of a proper address of which to mail or deliver such property, and (d) rejected or failed electronic transfers (and the funds represented thereby), and (e) interest (if applicable) on cash constituting unclaimed property.

2.17. "Unsecured Claim" shall mean any Allowed Claim, whether or not liquidated or contingent other than a "priority claim, a tax claim or a secured claim". This category includes all claims deemed unsecured pursuant to § 506(a) of the Code.

ARTICLE 3: TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

3.1 Unclassified Claims. Under § 1123(a)(1), administrative expense claims and priority tax claims are not classified and receive the treatment set forth in the Bankruptcy Code.

3.2 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the Effective Date of this Plan (as defined in Article 10), or upon such other specific terms as may be agreed upon by the holder of the claim and the Debtor.

Claimant	Treatment
Timothy S. Cory & Associates c/o Johnson & Gubler P.C.	NA

3.3 Priority Tax Claims. Each holder of a priority tax claim, if one exists, will be paid within 5 years after the order for relief and upon such other terms consistent with § 1129(a)(9)(C) of the Bankruptcy Code.

Claimant	Treatment
Internal Revenue Service	Paid pursuant to pending tax court proceeding

3.4 United States Trustee Fees. All fees required to be paid by 28 U.S.C. § 1930(a)(6) will accrue and be timely paid until the case is administratively closed, dismissed, converted to another chapter under the Code, or a final decree closing the case is entered. The claims of the United States Trustee for any fee arrearage shall be paid in full on or before the Effective Date of the Plan.

ARTICLE 4: TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

Claims and interests shall be treated as follows under this Plan:

CLASS 1	IMPAIRED: Yes	INSIDER: No
Description:	Class 1 consists of the Secured Claim of The Bank of New York Mellon against Debtor's Investment Property located at 6904 Via Bella Luna Ave., Las Vegas, Nevada	
Valuation:	Per the "Stipulation RE: Motion to Value Collateral, "Strip Off" and Modify Rights of Creditor Pursuant to 11 U.S.C. §506(a), For Real Property " (the "Class 1 Stipulation")(See Docket #37), hereby incorporated by this reference, the Class One Secured Claim is valued at \$540,000.00	
Summary of Terms:	<ul style="list-style-type: none"> - Interest Rate: The current contract rate of 3.625% shall be fixed. - Payment Start Date: - Maturity Date: - Initial Fixed Monthly Payment: - The loan will remain impounded for taxes and hazard insurance with an initial monthly escrow payment of: 	
Unsecured Portion of the Claim:	Any amount of the original Class 1 Secured Claim that is deemed to be unsecured (approximately \$778,829.08) shall be converted to an Unsecured Claim and paid pro rata with general unsecured creditors.	
Voting:	Class 1 is an impaired class and the holder of the Class 1 Secured Claim is entitled to vote to accept or reject the Plan.	

CLASS 2A	IMPAIRED: Yes	INSIDER: No
Description:	Class 2 consists of the Unsecured Claim(s) related to creditor's under-secured first and second liens against Debtor's Investment Property located at 6904 Via Bella Luna Ave., Las Vegas, Nevada.	
Valuation:	Per the Class 1 Stipulation (see above) hereby incorporated in its entirety by this reference, the Class 2A Unsecured Claim is valued at \$778,829.08.	
Summary of Terms:	Upon successful confirmation of the Plan, the Class 2A Unsecured Claims shall be reduced to \$0.00.	

Voting:	Class 2A is an impaired class and holders of Class 2A Unsecured Claims are entitled to vote to accept or reject the Plan.
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CLASS 2B	IMPAIRED: Yes	INSIDER: No
Description:	Class 2B consists of GENERAL UNSECURED CREDITORS of the Debtor.	
Summary of Terms:	All Class 2B Creditors having filed proofs of claims by April 13, 2016 (the "Deadline to File a Proof of Claim") or deemed to have filed proof of claims, that are not disputed, contingent, unliquidated, or otherwise approved by Order of the Court, shall be paid their pro rata portion of \$4800, to be paid in 48 equal payments of \$100, each, commencing on the 13 th month following the Effective Date of the Plan.	
Discharge of Claims:	For purposes of compliance with 11 U.S.C. 1141(5)(A) and subject to Court approval at the time of discharge, with respect to Class 2B, "...completion of all payments under the plan[.]" shall be deemed to have occurred upon payment to all Class 2B Creditors their full claim amount.	
Voting:	Class 2B is an unimpaired class and is deemed to accept the Plan. As such, Class 2B Creditors are not entitled to vote to accept or reject the Plan.	
Procedures and Plan Disbursements:	<p>Debtor may seek approval of the Court for additional dividend disbursement procedures including but not limited to notice procedures and procedures to cover failed and/or unclaimed Plan disbursements, which shall conform to the following basic terms:</p> <p><u>Dividend(s)</u>: All payments to Class Three Creditors shall be in cash or cash equivalent.</p> <p><u>Term</u>: Debtor shall have up to six(6) months to pay Class Three Creditors from the date of Plan Confirmation.</p> <p><u>Notice of Final Dividend Payment</u>: Each final payment shall be accompanied by a Notice of Final Dividend Payment which shall detail Debtor's compliance with the terms of this Plan with respect to the creditor receiving the final pro rata dividend installment.</p> <p><u>Disbursement Agent</u>: Debtor may serve as its own Disbursement Agent or may select a third party. Under no circumstances shall a third party Disbursement Agent be liable for Debtor's failure to make payments under the Plan. Subject to Court approval, the third party Disbursement Agent shall be authorized to retain attorneys, if necessary, to object to claims, pay administrative expenses, and may collect a reasonable fee for administering Debtor's post-confirmation estate from Debtor's Plan payments. Disbursements to Class Three</p>	

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	<p>Creditors may be reduced as a result of approved Disbursement Agent fees.</p> <p><u>Disputed Claims:</u> No payments shall be made on Disputed Claims until the dispute is resolved by settlement between the parties or a final order of the Court. In the event of a Disputed Claim, the Disbursement Agent shall establish appropriate reserves limited to the potential pro rata dividend of the Disputed Claim. Should there be a Disputed Claim, payments to claimholders of non-disputed Class Three claims shall not cease except upon order of the Court.</p> <p><u>Unclaimed Property:</u> Debtor and Debtor’s Disbursement Agent are only required to make reasonable efforts to transmit dividend payments to Class 2B creditors. Failure by a creditor to update payment address(es) or timely process dividend payments received (regardless of the form of legal payment) may result in cancellation of payments and upon approval of the Court, forfeiture of Class 2B creditor’s dividend or portion thereof.</p>
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CLASS 3		IMPAIRED: Yes	INSIDER: No
Description:	Equity Interest Holder – Lani Dizon		
Treatment:	Debtor shall retain under the Plan the following: 2) Investment Property subject to the Class 1 Stipulation.		

ALL CLAIMS ARE SUBJECT TO OBJECTION. DEBTOR RESERVES THE RIGHT TO REQUEST ANY FUNDS PAID PURSUANT TO THIS PLAN BE HELD IN TRUST, PENDING RESOLUTION OF ANY CLAIMS OR OTHER LITIGATION.

ARTICLE 5: ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.1. Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.2. Delay of Distribution on a Disputed Claim. No payments shall be made on Disputed claims until the dispute is resolved by settlement between the parties or a final non-appealable order of the Court.

5.3. Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

1 **5.4. Objections to Claims.** Unless otherwise extended by court order, all objections to claims must
2 be filed within sixty (60) days after entry of an order confirming the Plan. Notwithstanding any
3 other provision of this Plan, distributions shall not be made with respect to Disputed Claim(s)
4 unless such Disputed Claim has been resolved and become an allowed claim.

5 **5.5. Disallowance.** Unless otherwise provided in a Final Order of the Court, any claim for which
6 a proof of claim is required by bankruptcy rule 3003(c)(2), filed after the Bar Date shall be
7 deemed disallowed and shall not receive a distribution.

8 **ARTICLE 6: PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED**
9 **LEASES**

10 All contracts which exist between Debtor and any individual entity whether such contract
11 be in writing or oral, which have note heretofore been rejected or heretofore been approved or
12 modified by Orders of this Court are hereby specifically assumed.

13 **ARTICLE 7: MEANS FOR IMPLEMENTATION OF THE PLAN**

14 Payments and distributions under the Plan will be funded by Investment Property rents
15 and Debtor's wage income as required. Debtor will continue to manage Debtor's own financial
16 affairs post confirmation and throughout the duration of the Plan though Debtor reserves the right
17 to retain financial professionals as needed.

18 **ARTICLE 8: NO IMMEDIATE DISCHARGE AND EFFECT OF CONFIRMATION**

19 Unless after notice and hearing and the Court orders otherwise for cause, confirmation of
20 this Plan does not discharge any debt provided for in this Plan until the Court grants a discharge
21 on completion of all payments under this Plan. Alternatively, should Debtor demonstrate
22 compliance with the requirements of 11 U.S.C. 1141(d)(5)(B) & (C), at any time after
23 confirmation of the Plan, and after notice and a hearing, the Court may grant a discharge prior to
24 completion of payments under the Plan. Property of the Estate will vest in the reorganized Debtor
25 thirty days after entry of the final Confirmation Order.

26 **ARTICLE 9: RETENTION OF JURISDICTION**

The bankruptcy court shall retain jurisdiction of this case for as long as is necessary to
administer the case. During such time as the Bankruptcy Court retains jurisdiction, said
jurisdiction will be deemed to include jurisdiction over proceedings concerning: (i) whether
Debtor is in material default of any Plan obligation; (ii) whether the time for performing any Plan
obligation should be extended; (iii) adversary proceedings and contested matters pending as of the
Effective Date or specifically contemplated in this Plan to be filed in this Court; (iv) whether the
case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi)
compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of
professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

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ARTICLE 10: GENERAL PROVISIONS

10.1. Definitions and Rules of Construction. Subject to Article 2 herein, the definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

10.2. Effective Date of the Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

10.3. Severability. Wherever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Plan. Furthermore, if the Court will not confirm this Plan because one or more provision hereof are determined to be prohibited or invalid under applicable law, the proponents may seek permission of the Bankruptcy Court to amend this Plan by deleting the offending provision.

10.4. Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

10.5 Headings. The headings of this Plan are for reference only and do not affect the meaning or interpretation of this Plan.

10.6. Applicable Law. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Nevada govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

10.7. Notices. All notices required or permitted to be made in accordance with the Plan shall be in writing, via USPS first class mail, or commercially recognized carrier. Notices shall be sent to each party’s address as maintained on the case docket (i.e. “as scheduled.” As provided in “special notice requests” and/or filed claims, as applicable). Notice copies shall be provided to Debtor’s counsel of record and shall be deemed given when received by Debtor.

10.8. Reservation of Rights. Neither the filing of this Plan nor the Disclosure Statement nor any statement or provision contained herein or therein, nor the taking by any creditor of an action with respect to this Plan: (a) shall be or be deemed in admission against interest; nor, (b) prior to the confirmation date be or be deemed to be a waiver or any rights which any creditor might have against Debtor or any of their propeliies specifically reserved. In the event

1 substantial Consummation of the Plan does not occur, neither this Plan or any statement
2 contain herein or in the Disclosure Statement, may be used or relied upon in any manner in
any suit, action, proceeding, or controversy within or outside of the reorganization case
involving Debtor.

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4 **10.9. Modification of the Plan.** The Debtor may, upon order of the Bankruptcy Court, amend or
5 modify this Plan, in accordance with section 1127 (e) of the Bankruptcy Code or remedy any
6 defect or omission or reconcile any inconsistency in the Plan in such manner as may be
7 necessary to carry out the purpose and intent of the Plan, subject to compliance with all
8 applicable requirements of the Bankruptcy Code. If the debtor is an individual, as in this
9 present case, this plan may be modified at any time after confirmation of the plan but before
10 the completion of payments under the plan, whether or not the plan has been substantially
consummated. Modification may be upon request of the Debtor, the Trustee, the United
States Trustee, or the holder of an allowed unsecured claim for the purpose of (1) increasing
or reducing the amount of payments under a plan on claims of a particular class provided for
by the plan, (2) extending or reducing the time period for such payments, or (3) altering the
amount of distribution to a creditor whose claim is provided for by the plan to the extent
necessary to take account of any payment of such claim made other than under the plan.

11 Dated: October 4, 2016

12 Respectfully submitted by

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14 /s/ Timothy S. Cory
15 TIMOTHY S. CORY, ESQ.
Attorney for Debtor