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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

7 In re: ) Case No: 15-16961-ABL  
8 ) Chapter 11  
9 **GEORGE MARTIN ANAST and** )  
10 **CHERYL ANAST** )  
11 Debtor. )

**DEBTORS' DISCLOSURE STATEMENT**

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1 GEORGE MARTIN ANAST and CHERYL ANAST, Debtors and Debtors-in-Possession  
2 (“Debtors”) in the above case, provide their Disclosure Statement to their known creditors for the  
3 purpose of voting on the Plan of Reorganization.

4 **I. INTRODUCTION**

5 The Debtors have prepared their Disclosure Statement in connection with their solicitation  
6 of acceptance of the Plan. The Plan has been filed with the United States Bankruptcy Court for  
7 the District of Nevada in the voluntary case filed under Chapter 11 of the Bankruptcy Code on  
8 December 17, 2015. A copy of the Plan is attached hereto as Exhibit 1 and incorporated herein  
9 by reference.  
10

11 The Debtors filed their voluntary petition under Chapter 11 of the Bankruptcy Code on  
12 December 17, 2015. (“Petition Date”). Pursuant to Sections 1107 and 1108, the Debtors are the  
13 Debtors-in-possession representative of their bankruptcy estate.  
14

15 Unless otherwise defined herein, the terms defined in the Plan shall have the same  
16 meanings when used in the Disclosure Statement. In addition, unless otherwise defined, terms  
17 used in the Disclosure Statement and Plan shall have the same meaning as in the U.S. Bankruptcy  
18 Code or the Bankruptcy Rules.  
19

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

21 **A. Overview**

22 The objective of a chapter 11 case is the confirmation of a plan of reorganization by the  
23 Bankruptcy Court. The Plan describes in detail, and in language appropriate for a legal contract  
24 the means for satisfying the claims against the Debtors. The Plan places claims in separate classes  
25 and describes the treatment of each class, including whether the claims are impaired or  
26 unimpaired. After a Plan has been filed, the holders of such claims that are impaired, as defined  
27  
28

1 in Section 1124, are permitted to submit a vote to accept or reject the Plan. If confirmed, your  
2 recovery will be limited to the treatment set forth in the terms of the Plan.

3 The Court will consider whether the Plan has satisfied the various requirements of the  
4 Bankruptcy Code, including, but not limited to, whether it is feasible and whether it is in the best  
5 interests of holders of claims and interests. The Bankruptcy Court will also receive a ballot  
6 summary prepared by the Plan proponent concerning the votes for acceptance or rejection of the  
7 Plan by holders of claims and interests entitled to vote.  
8

9 The Court has reserved November 29, 2016 at 1:30 p.m., Pacific Standard Time, for the  
10 hearing on the adequacy of the Disclosure Statement. The hearing may be continued from time  
11 to time without further written notice. Section 1125 sets forth the requirements for a Disclosure  
12 Statement.  
13

14 The Disclosure Statement is submitted in accordance with Section 1125 for the purpose  
15 of soliciting acceptance of the Plan from holders of claims and interests. The purpose of the  
16 Disclosure Statement is to,  
17

- 18 (a) Provide adequate information to enable a hypothetical reasonable investor typical of  
19 the holders of claims in the case to make an informed judgment about the Plan;  
20 (b) Set forth information regarding the history of the Debtors, the filing of their chapter  
21 11 Petition and the Plan;  
22 (c) Advise Creditors of the proposed resolution of their Claims; and  
23 (d) Assist the Bankruptcy court in making an informed decision regarding whether the  
24 Plan complies with the requirements of the Bankruptcy Code.  
25

26 No post-petition solicitation of votes on the Plan may be made except pursuant to the  
27 Disclosure Statement and no person has been authorized to utilize any information concerning  
28

1 the Debtors other than the information contained in the Disclosure Statement for purposes of  
2 solicitation.

3 **B. ADMONITIONS**

4 THE DISCLOSURE STATEMENT IS NOT THE PLAN. THE DISCLOSURE  
5 STATEMENT AND THE EXHIBITS TO THE DISCLOSURE STATEMENT, TOGETHER  
6 WITH THE PLAN WHICH IS ATTACHED HERETO AS **EXHIBIT 1** SHOULD BE READ  
7 IN THEIR ENTIRETY. FOR THE CONVENIENCE OF CREDITORS, THE PLAN IS  
8 SUMMARIZED IN THE DISCLOSURE STATEMENT, BUT ALL SUMMARIES ARE  
9 QUALIFIED IN THEIR ENTIRETY BY THE PLAN ITSELF, WHICH IS CONTROLLING IN  
10 THE EVENT OF ANY INCONSISTENCY.  
11  
12

13 INTERESTED PARTIES MAY ALSO OBTAIN FURTHER INFORMATION FROM  
14 THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA,  
15 INCLUDING ACCESS TO THE DOCKET FOR THE CASE, AT THE COURT'S WEBSITE:  
16 WWW.NVB.USCOURTS.GOV.  
17

18 APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT  
19 DOES NOT MEAN THAT THE BANKRUPTCY COURT RECOMMENDS ACCEPTANCE  
20 OR REJECTION OF THE PLAN.  
21

22 THE STATEMENTS AND INFORMATION CONCERNING THE DEBTORS SET  
23 FORTH IN THE DISCLOSURE STATEMENT CONSTITUTE THE ONLY STATEMENTS  
24 OR INFORMATION CONCERNING SUCH MATTERS THAT HAVE BEEN APPROVED  
25 BY THE BANKRUPTCY COURT FOR THE PURPOSE OF SOLICITING ACCEPTANCES  
26 OR REJECTIONS OF THE PLAN. THE STATEMENTS AND INFORMATION ABOUT THE  
27 DEBTORS AND THE FINANCIAL INFORMATION OF DEBTORS INCLUDING ALL  
28

1 FINANCIAL PROJECTIONS AND INFORMATION REGARDING CLAIMS CONTAINED  
2 IN THE DISCLOSURES STATEMENT HAVE BEEN PREPARED FROM DOCUMENTS  
3 AND INFORMATION OBTAINED FROM THE DEBTORS. CERTAIN ESTIMATES,  
4 ASUMPTIONS AND PROJECTIONS MAY BE MATERIALLY DIFFERENT FROM  
5 ACTUAL FUTURE RESULTS. THERE CAN BE NO ASSURANCE THAT ANY  
6 FORECASTED OR PROJECTED RESULTS CONTAINED IN THE DISCLOSURE  
7 STATEMENT WILL BE REALIZED AND ACTUAL RESULTS MAY BE MATERIALLY  
8 DIFFERENT FROM THOSE SHOWN. DEBTORS ARE UNABLE TO AND DO NOT  
9 WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THE  
10 DISCLOSURE STATEMENT IS WITHOUT ERROR.  
11  
12

13 THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE  
14 MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS ANOTHER TIME  
15 IS SPECIFIED. NEITHER THE DELIVERY OF THE DISCLOSURE STATEMENT NOR  
16 ANY EXCHANGE OF RIGHTS MADE IN CONNNECTION WITH THE PLAN SHALL  
17 UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN  
18 NO CHANGE IN THE INFORMATION SET FORTH IN THE DISCLOSURE STATEMENT  
19 SINCE THE DATE OF THE DISCLOSURE STATEMENT AND THE MATERIALS RELIED  
20 UPON IN PREPARATION OF THE DISCLOSURE STATEMENT WERE COMPILED.  
21  
22

23 THE DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY  
24 PURPOSE OTHER THAN TO ASSIST THE COURT IN DETERMINING WHETHER THE  
25 PLAN COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE, AND  
26 THE DISCLOSURE STATEMENT MAY ALSO BE RELIED UPON FOR THE PURPOSE OF  
27 DETERMINING WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN.  
28

1 NOTHING CONTAINED IN THE DISCLOSURE STATEMENT CONSTITUTES AN  
2 ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY NOR IS IT CONCLUSIVE  
3 EVIDENCE OF TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION OF THE  
4 DEBTORS ON HOLDERS OF CLAIMS OR HOLDERS OF INTERESTS.

5  
6 AT THE CONFIRMATION HEARING, THE BANKRUPTCY COURT WILL  
7 CONSIDER WHETHER THE PLAN SATISFIES THE VARIOUS REQUIREMENTS OF THE  
8 BANKRUPTCY CODE. THE BANKRUPTCY COURT WILL ALSO RECEIVE A BALLOT  
9 SUMMARY WHICH WILL PRESENT A TALLY OF THE VOTES OF CLASSES  
10 ACCEPTING OR REJECTING THE PLAN AS CAST BY THOSE ENTITLED TO VOTE.  
11 ONCE CONFIRMED, THE PLAN WILL BE TREATED ESSENTIALLY AS A CONTRACT  
12 BINDING ALL CREDITORS AND OTHER PARTIES-IN-INTEREST IN THE CHAPTER 11  
13 CASE.  
14

15 **C. Ballots and Voting**

16  
17 Only creditors whose claims have been allowed for the purposes of voting and are  
18 "impaired" by the plan are entitled to vote on the Plan. According to the designation of Classes  
19 of claims set forth under the Plan, holders of claims in all Classes are "impaired" by the Plan and  
20 are entitled to vote on the plan, and the holders of those claims shall receive a ballot and be  
21 permitted to vote to accept or reject the Plan.  
22

23 **D. Confirmation and Objections**

24 1. Adequacy of the Plan

25 In order to be confirmed, the Plan must meet the requirements listed in Section 1129(a) or  
26 (b) of the Bankruptcy Code. Those requirements include (1) the Plan must be proposed in good  
27 faith; (ii) at least one impaired class of claims must accept the Plan, without counting votes of  
28



1 insiders; (iii) the Plan must distribute to each creditor and equity interest holder at least as much  
2 as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the  
3 creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be feasible.  
4 These requirements are not the only requirements listed in Section 1129, and they are not the only  
5 requirements for confirmation.  
6

7 The Plan is subject to the absolute priority rule under 11 U.S.C. 1129(b). The Debtors  
8 seek to retain ownership of the commercial building for the purpose of performing the leasing of  
9 the building to Pet Partners in accordance with the purchase agreement. The absolute priority  
10 rule requires that if Chapter 11 debtors retain property, the Plan must be accepted by the impaired  
11 unsecured class or the claims of that class must be paid in full. The legal application of the rule is  
12 currently divided, but has been ruled to apply in individual chapter 11 cases. Zachary v.  
13 California Bank & Trust, 811 F.3d 1191 (9<sup>th</sup> Cir. 2016). It is the Debtor's intention to pay all  
14 unsecured claims in full, subject to the right to dispute the basis of the filed claims.  
15

## 16 2. Objections and Voting Requirements.

17  
18 Section 1128(b) provides that a party in interest may object to confirmation of a plan. Any  
19 objections to the adequacy of the Disclosure Statement or to confirmation of the Plan must be in  
20 writing and specify in detail the name and address of the objector. Any Plan confirmation  
21 objection must be filed with the Bankruptcy court and served on counsel for the Debtors, Timothy  
22 P. Thomas, Esq. at the address indicated on the front page of the Disclosure Statement.  
23

24 At least one allowed and impaired class of claims must vote to accept the Plan without  
25 counting votes of insiders or all impaired classes must vote to accept the Plan, unless the Plan is  
26 eligible to be confirmed by "cram down" on non-accepting classes, as discussed below.  
27

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

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

4 3. Cramdown of Non-Accepting Classes.

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

13  
14 In the instant case, Class 3 and its subparts may be subject to “cramdown.” If a  
15 “cramdown” is granted, the claimholder can elect under 1111(b) of the Code to either be deemed  
16 secured in the entire amount of their claim or to accept the cramdown and receive distributions  
17 for the unsecured portion of their claim to be shared pro-rata with other Class 43 creditors. The  
18 ability to seek a “cramdown” is limited by the absolute priority ruled discussed above, as well as  
19 the exceptions to the absolute priority rule argument.

20  
21 With regard to the Plan, the Bankruptcy Court will (a) determine whether the Plan has  
22 been accepted by the requisite majorities of each Voting Class; (b) determine all objections to the  
23 Plan and to Confirmation of the Plan; (c) determine whether the Plan meets the requirements for  
24 Confirmation of the Plan; (d) determine whether the Plan meets the requirements of the  
25 Bankruptcy Code and has been proposed in good faith; and (e) confirm or refuse to confirm the  
26 Plan.  
27  
28

1 A separate notice will be served with the Disclosure Statement and the Plan which reflects  
2 the dates and deadlines set forth above.

### 3 **III. REPRESENTATIONS**

4 Unless otherwise specifically noted, the financial information in the Disclosure Statement  
5 has not been subject to audit. Instead, the Disclosure Statement was prepared from information  
6 compiled from records maintained in the ordinary course of the Debtors' finances. Debtors have  
7 attempted to be accurate in the preparation of the Disclosure Statement.  
8

9 Other than stated herein, the Debtors have not authorized any representations or  
10 assurances concerning Debtors or their business operations or the value of their assets. Therefore,  
11 in decide to accept or reject the Plan, you should not rely on any information relating to the  
12 Debtors or the Plan other than that contained in the Disclosure Statement or in the Plan itself.  
13

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

#### 15 **A. The Debtors**

16 The Debtors are individuals, Debtor George Anast is a veterinarian and is the principal owner  
17 and operator of a sole proprietorship veterinary practice under the name of Sandy Hill Animal  
18 Clinic. The Animal Clinic has operated for 40 years. The clinic provides sufficient income to  
19 meet the Debtors personal expenses but has not been enough to meet the tax liabilities of the  
20 veterinary business and liabilities incurred through unsuccessful business ventures. Debtors own  
21 the real property connected with ~~and~~ the commercial building located at 3752 East Tropicana, in  
22 which the clinic is operated. Debtors also own their personal residential real property.  
23  
24

#### 25 **B. Events Leading to the Chapter 11 Filing.**

26 Debtors invested income from the veterinary business into several unsuccessful business  
27 ventures over the last several years. The commercial failure of those businesses has caused the  
28

1 the Debtors to borrow funds from the practice and real estate investments and have not been able  
2 to repay those creditors. Debtors have been marketing the veterinary practice for sale.

3 Debtor has the business appraised as over \$1.2 million and has been marketing the business  
4 to buyers. Debtor has entered into a Letter of Intent agreement with Pet Partners, a proposed  
5 buyer that is willing to pay the sum of \$1.8 million to purchase the business and enter into a lease  
6 of the business premises for ten (10) years. The purchase offer includes additional payments for  
7 the purchase of accounts receivable and inventory, based upon the audited value of these assets.

8  
9 If the sale is successful, the anticipated revenue would be sufficient to fund the payment of  
10 creditors. The loss on the commercial investments and the amount of debt accrued difficulty in  
11 finding a buyer for the clinic are the primary reasons that Debtors have been required to seek  
12 bankruptcy relief herein.  
13

14 The Debtors has succeeded in lowering their annual operating expenses both personally  
15 and on the clinic. Debtors have also located a the potential purchaser for the veterinary practice.  
16 The purchase will include continued employment of Debtor George Anast as a consultant with  
17 Pet Partners.- The sale is still being finalized into a written sales agreement that will be brought  
18 before the U.S. Bankruptcy Court for approval. Debtor anticipates a closing date on the sale prior  
19 to February 2017.  
20  
21

### 22 **C. Debtors' Strategy for Reorganization**

23  
24 The Debtors plan of reorganization includes payment of the proceeds to satisfy and  
25 removing the mortgage obligations on the commercial real estate and leasing the building for  
26 revenue for ten (10) years, sale of the veterinary business, and the continued practice of veterinary  
27 medicine under the employment agreement. In conjunction with their reduction of liability,  
28

1 Debtors plans to ~~build~~ apply the revenue from by leasing of the commercial building to the  
2 payment of creditors.

3 Debtors have a significant personal and business tax expense, which will be paid in full  
4 from the sale of the veterinary practice. The Debtors will satisfy the outstanding secured claims  
5 against the commercial building giving Debtors clear title to the building. Debtors will apply the  
6 net proceeds of sale, after payment applicable taxes on the sale, to satisfy all outstanding tax  
7 claims in full. Any surplus sales proceeds will be used to offer an immediate buyout of unsecured  
8 claims for a discount or, alternatively, payment in full over the term of the plan. Of the \$1.8  
9 million purchase price, the Debtor anticipates to receive net proceeds of approximately \$1.4  
10 million. The secured and tax claims to be paid from the sale proceeds amount to approximately  
11 \$1.6 million. Any unpaid amounts will be funded through the reorganization plan. Debtors will  
12 have title to the commercial building and will lease the commercial building the purchaser of the  
13 veterinary business for \$80,000 per year for the first three (3) years. Additionally, Debtor will be  
14 employed with income of \$100,000 per year. Debtor will and make distribution from the lease  
15 proceeds to pay remaining unsecured claims in full over for 5 years to satisfy the allowed general  
16 unsecured debt obligations according to their Plan. The Debtors will allocate the disposable  
17 income and surplus rental income to meet the ongoing mortgage and property expense obligations  
18 and reduce their personal living expenses to restore their finances to a level of profitability.

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22  
23 Debtor has provided protection for personal identifiable information in connection with  
24 the sale. The proposed sales agreement contains the following provisions regarding the client  
25 records:

26 (a) The parties mutually agree that to ensure continuity of care for the  
27 aforementioned historical financial books and records and patient files (collectively the  
28 "Records") of the Business, Seller's custodial interest in, and responsibility for, the  
Records shall transfer to Purchaser on the Closing Date, to the extent permitted by



1 applicable law. Purchaser and Seller agree to comply with any applicable State and Federal  
2 regulations relating to the transferability and confidentiality of the clinical and financial  
3 content of the Records, including but not limited to all applicable HIPAA privacy  
4 regulations and NRS 603A.010 *et seq.* Purchaser agrees to retain the Records in a safe  
5 place and manner from the Closing Date until one (1) year after the expiration of all  
6 applicable statutes of limitations for liability claims for services rendered by Seller on that  
7 particular patient.

8 (b) In the event of a malpractice action or claim against Seller,  
9 regulatory or other investigation by the government or a professional association, then upon  
10 reasonable request, Purchaser will make all relevant original Records available to Seller,  
11 to Seller's estate, and/or any former professional employee of the Business (at Seller's  
12 expense), in accordance with the confidentiality requirements of any applicable Federal or  
13 State law, rules and regulations. Unless otherwise determined by the courts having  
14 jurisdiction over the matter, upon completion of such action, the original Records shall be  
15 returned to Purchaser. Purchaser shall make copies of such Records and maintain those  
16 copies until such time as the original Records are returned.

17 (c) Purchaser shall first notify Seller, in writing, should Purchaser elect  
18 to discard or destroy any inactive Records of any former patients of Seller that have been  
19 retained beyond the expiration of all applicable statutes of limitations for liability claims.  
20 Seller, within ten (10) days of such written notice, shall, at Seller's expense, have the right  
21 to take possession of such inactive Records and shall then be responsible for their storage.  
22 Should Seller not take possession of such records within that ten day period, then Purchaser  
23 shall have the right to dispose of such records in a manner in which confidentiality is  
24 maintained.

25 (d) On and after the Closing Date, Purchaser and Seller (to the extent  
26 and while Seller is employed by Purchaser) shall cooperate to preserve, protect, and  
27 safeguard any and all Personally Identifiable Information ("PII") contained in the Records.  
28 For purposes of this provision, PII shall include any and all information in the Records  
which can be used to distinguish or trace an individual's identity, such as their name, social  
security number, biometric records, etc. alone, or when combined with other personal or  
identifying information which is linked or linkable to a specific individual, such as date  
and place of birth, mother's maiden name, etc. Purchaser and Seller (to the extent and  
while Seller is employed by Purchaser) shall take reasonable precautions to prevent the  
breach or other inappropriate disclosure of PII to any other person other than an authorized  
user or for other than authorized purpose within the control or supervision of Purchaser  
and Seller. Such reasonable precautions may include, without limitation, any one or more  
of the following: (i) encryption of any digital Records containing PII; (ii) developing and  
implementing an acceptable use policy and procedure for handling PII; (iii) redacting PII  
from Records; and/or (iv) training staff, employees, and any other authorized users of PII  
on industry best practices.

1 **V. DESCRIPTION OF THE DEBTORS' ASSETS AND LIABILITIES**

2 **A. Debtors' Assets**

3 1. Residential Real Estate

4 The Debtors have one (1) residential real estate property, located at 4360 E. Hacienda  
5 Ave. in the Las Vegas area. The Debtors do reside in the property that they own.  
6

7 The obligation on the primary residence will remain unchanged. The present value of  
8 \$280,000 is sufficient to provide protection to the secured creditor.

9 2. Commercial Building

10 The Debtors own a commercial building located at 3752 E. Tropicana Avenue, Las Vegas,  
11 Nevada 89121. The building is used for the operation of the Sandy Hill Animal Clinic. The  
12 building has a commercial value of approximately \$750,000. The building is currently subject to  
13 three (3) secured loans, as well as a secured claim by the Internal Revenue Service. These accrued  
14 claims ~~may~~ exceed the value of the building. Debtor reserves the right to seek valuation of the  
15 building and to reduce any claims in excess of the fair market value to general unsecured claims  
16 under Class 4.  
17

18 3. Veterinary Practice.

19 The Debtors operate Sandy Hill Animal Clinic, a veterinary clinic for pets and small  
20 animals in the Las Vegas area. The practice includes several independent veterinarians that serve  
21 the clinic's patients. The practice is well established in the Las Vegas area. The Debtor's have  
22 had the practice appraised at \$1.2 million. Debtors have a pending offer to purchase the business  
23 practice for \$1.8 million from a national company.  
24

25 4. In addition to the claims secured by the real properties, Creditors have claims  
26 against the equipment and inventory owned and used in the business. The equipment, accounts  
27  
28

1 receivable and inventory are valued at approximately \$1050,000. The claims will be paid in the  
2 purchase and will adjust the purchase price based upon exceed the value of the inventory, accounts  
3 receivables and equipment. The claims exceed \$91,611,943,380.

4 The Debtors' other assets are set forth in **Exhibit 2** hereto, which is the Debtors' Schedule  
5 B. Additionally, Debtors' Schedule C, Claim of Exemptions, a copy of which is attached as  
6 **Exhibit 3** hereto, lists those Assets which are excluded from the Debtors' Estate based upon  
7 claims of exemption.  
8

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

10 There have been a number of significant motions and applications filed with the  
11 Bankruptcy court in the Debtors' voluntary chapter 11 case. The Bankruptcy Court has entered  
12 Orders regarding most of them. As of September 13, 2016, the Bankruptcy Court's docket  
13 contained 103 entries. Below is a summary of material applications, motions and all adversary  
14 proceedings filed to date.  
15

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

17 On December 17, 2016, Debtors filed their Chapter 11 Bankruptcy Petition through the Law  
18 Offices of Timothy P. Thomas, LLC as Debtors' counsel. (Docket No. 1-5)

19 On January 12, 2016, Debtors filed their Application to Employ Timothy P. Thomas, Esq.  
20 regarding the reorganization matters. (Docket No. 19).  
21

22 On February 24, 2016, the Court entered the Order Granting Application to Employ Timothy  
23 P. Thomas, Esq. (Docket No. 34)  
24

25 On May 5, 2016, Debtors filed their Application to Employ Tax Professional. (Docket No.  
26 48)

27 On May 11, 2016, Debtors filed their Application to Employ the Stone Law Offices as special  
28



1 counsel to assist in the sale of the business. (Docket No. 52)

2 On June 16, 2016, the Court approved the Employment of Tax Professional. (Docket No. 80)

3 On August 16, 2016, the Court entered an Order Approving the First Fee Application of the  
4 Law Office of Timothy P. Thomas, LLC. (Docket No. 98)

5 On June 16, 2016, the Court approved the Employment of Tax Professional. (Docket No. 80)

6 Debtors have filed monthly operating reports reflecting the income and expenses of the  
7 business as well as the Debtor's personal income from the business and monthly expenses and  
8 distributions. Further information on the income of the business can be found on the monthly  
9 operating reports.  
10

11 **B. Schedules, Statement of Financial Affairs and Section 341 Meeting**

12 1. On January 22, 2016, the Debtors completed their Section 341 Meeting of Creditors.

13 **C. Motions to Value Collateral and Motions for Relief from Stay.**

14 1. On April 13, 2016, Debtors filed a Motion to Use Cash Collateral, specifically the  
15 revenue of the Sandy Hill Animal Clinic veterinary practice. (Docket No. 38)

16 2. On April 26, 2016, Debtors filed a Motion to Sell the Veterinary practice Free and  
17 Clear of Liens for a purchase offer of \$1.8 million dollars based upon a letter of  
18 intent. (Docket 43).

19 3. On June 6, 2016, the Court entered an Order Granting the Motion to Use Cash  
20 Collateral. (Docket No. 71)

21 4. On August 25, 2016, Debtor entered into a Stipulation with Nevada State Bank  
22 with regard to adequate protection payments and claim treatment. .  
23

24 **VII. OVERVIEW OF PLAN**

25 **A. General Summary**  
26  
27  
28

The following is a general summary of the Plan, which is qualified by reference to the relevant provisions of the Plan. Pursuant to Section 1123(a)(1), Administrative Claims and Priority Claims are not designated as Classes. The summary of Classes, whether or not they are impaired and entitled to vote is set forth below:

| <u>Class</u> | <u>Creditor</u>             | <u>Property</u>   | <u>Claim</u>                 | <u>Treatment</u>                           |
|--------------|-----------------------------|---|------------------------------|--|
| Class 1(a)   | Wells Fargo                 | 4360 E.<br>Hacienda<br>Ave.<br><br>Las Vegas,<br>Nevada | \$170,354                    | 1st Unimpaired                             |
| Class 1(b)   | Bank of NY Mellon           | 4360 E.<br>Hacienda                                     | \$211,815                    | 2 <sup>nd</sup> Unimpaired                 |
| Class 2(a)   | Nevada State Bank           | 3752 E.<br>Tropicana<br>Ave.                            | \$378,417                    | Payment from<br>sale                       |
| Class 2(b)   | Nevada State Bank           | 3752 E.<br>Tropicana<br>Ave.                            | \$303,979                    | Payment from<br>sale                       |
| Class 2 (c)  | Bank of Nevada              | 3752 E.<br>Tropicana<br>Ave.                            | \$305,098 <del>00</del>      | Payment from<br>sale                       |
| Class 2(d)   | Internal Revenue<br>Service | 3752 E.<br>Tropicana<br>and<br>residential<br>property  | \$109,645760,937             | Payment from<br>business sale              |
| Class 2(e)   | Secured vendors             | Inventory<br>and<br>equipment                           | \$91,61194,380               | Installments Paid<br>from business<br>sale |
| Class 3      | Priority Unsecured          | Tax lien  | \$338,21140,295              | Installments                               |
| Class 4      | General Unsecured           |   | \$811,64066,500              | Pro rate<br>payments                       |
| Admin.       | Professionals               | n/a   | \$ <del>-----</del> \$10,000 | Pay in full                                |
| US Trustee   | Us Trustee fees             | n/a   |                              | Pay in full                                |

#### Classes of Claims

The following classes are set forth in the Plan, with the proposed treatment under the Plan provisions. Specific provisions for treatment are set forth in Articles I and II of the Debtors' Plan of Reorganization.

1 **Class 1 Allowed Secured Claims secured by Debtors' Real Property.**

2 Class 1 claims consist of secured by the Debtors' residential real property. They are  
3 secured to the present appraised value of the property unless the Court orders otherwise or the  
4 parties agree otherwise. If the present appraised value is less than the amount of the Creditor's  
5 allowed claim, the deficiency will be classified as a general unsecured claim in Class 4.  
6

7 Class 1(a) is held by Wells Fargo. Claims are anticipated to be unimpaired based upon  
8 matured loans and delay in payment and to be paid in full pursuant to the existing terms of the  
9 agreement.

10 Class 1(b) is held by Bank of NY Mellon as a second mortgage on the residence. This  
11 claim is unimpaired and to be paid in full pursuant to the existing terms of the agreement.  
12

13 **Class 2: Allowed and Unimpaired Secured Claim on 3752 E. Tropicana .**

14 Class 2 includes a first mortgage claim by Nevada State Bank ("NSB") that is secured by  
15 the Debtors' real property commonly known as 3752 E. Tropicana Ave., Las Vegas, NV, 89121.  
16 The Debtors also provided personal guarantees for the NSB indebtedness. The value of the property  
17 is approximately \$750,000. The loan of Nevada State Bank is divided into an A Note (Class 2(a))  
18 and a B Note (Class 2(b)).  
19

20 Class 2(a): The principal balance of the A Note claim is \$378,417.01 with applicable  
21 amortization interest for the remaining loan term. The loan reached maturity in August 2015.  
22

23 Class 2(b): A principal balance of the B Note claim is \$303,979.06 with applicable  
24 amortization interest for the remaining loan term. The loan reached maturity in August 2015.

25 Class 2(a) and (b) are held by NSB. These claims are both secured loans that reached maturity  
26 prior to the filing of the petition. As part of the ongoing case, the Debtors entered into a stipulation  
27 with NSB to require the Debtors to obtain confirmation of a reorganization plan by a set date.  
28

1 The Debtors have been unable to obtain a confirmation order. Pursuant to the terms of the  
2 stipulation, which was approved by the US Bankruptcy Court, NSB has been issued an order  
3 granting relief from the automatic stay under 11 U.S.C. 362, to begin foreclosure proceedings on  
4 the commercial building. It is anticipated that confirmation of the current Plan can be obtained  
5 and the proposed sale completed prior to foreclosure of the property in order to fulfill the  
6 obligations of the Plan. Alternatively, if confirmation is ordered or is rejected by the creditors,  
7 the foreclosure will proceed to a sale of the commercial building.

9 Debtors have made adequate protection payments on the A Note and B Note obligations  
10 throughout this case with payments \$2,797.00 per month.

12 Class 2(c) includes a second position secured claim by Bank of Nevada. The claim has  
13 an outstanding balance of \$305,09800.

14 Class 2(d) includes a secured tax lien filed by the Internal Revenue Service. The tax lien  
15 is based upon unpaid personal income tax and business taxes. The Secured portion of the claim  
16 amounts to \$109,645760,937.47. This claim has been amended numerous times during the case.

18 Class 2(e) includes secured claims against the inventory and equipment of the veterinary  
19 practice. The secured claim, held by IDEXX Laboratories, on the inventory is approximately  
20 \$40,633 and the secured claim on the medical equipment, held by Wells Fargo, is approximately  
21 \$53,747. These claims amount to approximately \$94,3801,611.55, but are secured by collateral that  
22 is worth significantly less than the claims.

24 **Class 3: Allowed Priority Unsecured Claims.**

25 Class 3 shall include certain priority claims that are referred to in Section 507 (a)(1), (4),  
26 (5), (6), and (7) of the Bankruptcy Code. The Bankruptcy Code requires each claim holder to  
27 receive cash on the effective date of the Plan equal to the allowed amount of such claim. A class  
28

1 of holders of such claims, however, may vote to accept different treatment.

2 Priority Tax Claims include unsecured tax claims for real property or income described  
3 by Section 507(a)(8) of the Bankruptcy Code. The priority claims must receive payment at the  
4 present value of such claim by the later of: (a) the Effective Date or as soon thereafter as  
5 practicable; (b) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as  
6 practicable; (c) the 10<sup>th</sup> business day after such claim is allowed or as soon thereafter as  
7 practicable; (d) a date when such allowed priority claim becomes due and owing; and (e) such  
8 date as the holder of such claim and Debtors shall agree upon.  
9

10 The priority claims are currently ~~\$338,211.67~~40,295 in priority tax claims under Class 3.  
11 This claim will be paid from the sale proceeds or in 60 equal monthly payments or as otherwise  
12 agreed with Creditor.  
13

14 **Class 4: General Unsecured Claims.**

15 General unsecured claims are not secured by property of the estate and are not entitled to  
16 priority under Section 507(a) of the Bankruptcy Code. Class 4 claims include deficiency claims  
17 that result from the under-secured claims against the Debtors' property in Class 2. Class 4 Claims  
18 also include wholly unsecured vendor and tax claims. General unsecured claims are believed to  
19 amount to ~~\$811,640.87~~66,500. General unsecured creditors have the option of receiving 50%  
20 payment on their claims from the proceeds of sale, paid within six (6) months of the effective date  
21 or, alternatively, and would receive a distribution of approximately 100% of their allowed claim  
22 in equal quarterly installments over the term of the plan. Each Class 4 Claimant receives a vote  
23 to either accept or reject the Debtors' Plan.  
24  
25

26 **B. Unclassified Claims**

27 Certain types of claims are automatically entitled to specific treatment under the Code.  
28

1 They are not considered to be impaired and holders of such claims do not vote on the Plan. They  
2 may, however, object if, in their view, their treatment under the Plan does not comply with the  
3 requirements of the Code. For a detailed analysis and description of the individual unclassified  
4 claims, see Articles I and II of the Debtors' Plan of Reorganization.

5  
6 1. Administrative Expenses.

7 Administrative expenses are costs and expenses of administering the Debtors' Chapter 11  
8 case which are allowed under section 507(a)(2) of the Bankruptcy Code. Administrative expenses  
9 include attorney's fees incurred by the Debtors for representation in the Bankruptcy Case, as well  
10 as the claims of creditors that have provided services to the Debtors post-petition. A list of the  
11 administrative claims is included in the Plan. Administrative claims will be paid a one-time  
12 payment, 10 days after the Plan Effective Date.

13  
14 2. Trustee's Fees

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

19  
20 **VIII. MODIFICATION, ALTERATION AND REVOCATION OF THE PLAN**

21 **A. Modification of the Plan.**

22 The Debtors may modify the Plan at any time before confirmation of the Plan.  
23 However, the Court may require a new disclosure statement and/or re-voting on the  
24 Plan.  
25

26 Upon request of the Debtors, the U.S. Trustee, or the holder of an allowed unsecured  
27 claim, the Plan may be modified at any time after confirmation of the Plan but before  
28

1 completion of payments under the Plan, to (1) increase or reduce the amount of  
2 payments under the Plan on claims of a particular class, (2) extend or reduce the time  
3 period for such payments, or (3) alter the amount of distribution to a creditor whose  
4 claim is provided for by the Plan as is necessary to account for any payment of the  
5 claim made other than under the Plan. Such modification is subject to Court and U.S.  
6 Trustee approval.  
7

#### 8 **B. Revocation of the Plan**

9 The Debtors reserves the right to revoke or withdraw the Plan prior to the confirmation  
10 hearing and to file subsequent Chapter 11 plans. If the Debtors revokes or withdraws  
11 the Plan, or if confirmation does not occur, then (1) the Plan shall be null and void in  
12 all respects; (2) any settlement or compromise embodied in the Plan shall: (a)  
13 constitute a waiver or release of any Court; and (3) nothing contained in the Plan shall:  
14 (a) constitute a waiver or release of any Claims by or against, the Debtors or any other  
15 entity; (b) prejudice in any manner the rights of the Debtors or any other entity; or (c)  
16 constitute an admission, acknowledgement offer or undertaking of any sort by the  
17 Debtors or any other entity.  
18  
19

#### 20 **C. Severability**

21 If, prior to confirmation of the Plan, any term or provision of the Plan is held by the Court  
22 to be invalid, void or unenforceable, the Court shall have the power to alter and interpret  
23 such term or provision to make it valid or enforceable to the maximum extent practicable,  
24 consistent with the original purpose of the term or provision held to be invalid, void or  
25 unenforceable, and such term or provision then will be applicable as altered or interpreted,  
26 provided that any such alteration or interpretation must be in form and substance  
27  
28



1 reasonably acceptable to the Debtors, and, to the extent such alteration or interpretation  
2 affects the rights or treatment of holders of general unsecured claims, such claim holder.

3 **IX. EFFECTS OF CONFIRMATION AND IMPLEMENTATION OF THE PLAN**

4 **A. Reservation of Rights**

5 The Plan shall have no force or effect until the Court enters the Confirmation Order.  
6  
7 Neither the filing of the Plan, any statement or provision contained in the Disclosure Statement,  
8 nor the taking of any action by the Debtors or any other entity with respect to the Plan shall be an  
9 admission or waiver of any rights of (1) the Debtors with respect to the holders of claims or other  
10 entities; or (2) any holder of Claims or other entity prior to the Effective Date of the Plan.  
11

12  
13 **B. Vesting of Assets in the Reorganized Debtors.**

14 After confirmation of the Plan, all property of the Debtors shall vest in the reorganized  
15 Debtors, free and clear of all liens, claims, charges, or other encumbrances, except those  
16 enumerated in the order approving the Motion to Value and the confirmation order. The  
17 reorganized Debtors may operate their business and may use, acquire, dispose of property and  
18 compromise or settle any claims without supervision or approval of the Bankruptcy Court and  
19 free of any restrictions of the Bankruptcy Code or Rules, other than those restrictions expressly  
20 imposed by the Plan and the confirmation order. Without limiting the foregoing, the Debtors may  
21 pay the charges that he insures after confirmation for professional fees, disbursement, expenses  
22 or related support services without application to the Bankruptcy Court.  
23  
24

25 **C. Discharge of the Debtors.**

26 The Debtors shall be discharged from all debts that arose prior to confirmation of the plan,  
27 upon the completion of 60 months of disposable income payments under the Plan, or completion  
28



1 of the plan payments, and entry of an order of discharge by the Bankruptcy Court pursuant to  
2 §1141(d)(5)(A). The Debtors' Discharge shall be entered by the Court in response to an ex parte  
3 request for entry of the Debtors' Discharge, supported by a Declaration of the Plan Agent attesting  
4 to the fact that the Debtors has paid in full the Payments under the Plan. The Debtors shall not be  
5 discharged from any debt (i) imposed by the terms of the Plan, (ii) determined by the US  
6 Bankruptcy Court to be of a kind specified and excluded from discharge in 11 U.S.C. §523.  
7

8 **D. Plan Payments**

9 The Debtors will implement their Plan by serving as a Plan Agent for payment of Claims  
10 pursuant to the Plan. No compensation will be paid to the Debtors for serving as Plan Agent;  
11 however, he will be entitled to reimbursement of expenses and compensation for any  
12 professionals who assist him in the performance of their duties as Plan Agent.  
13

14 The Plan Agent is authorized, without limitation, to:

- 15 (a) Manage, protect and preserve the Assets, subject to the terms and limitations set forth  
16 in the Plan.  
17  
18 (b) Release, sell, transfer, convey or assign any right, title, interest in or about the Assets  
19 or any portion thereof with the approval of the Bankruptcy Court after hearing and  
20 notice, unless the value of the Asset is less than \$25,000, in which case Bankruptcy  
21 Court approval is not required.  
22  
23 (c) Pay and discharge any costs, expenses, professional fees or obligations deemed  
24 necessary to preserve or enhance the value of the Assets.  
25  
26 (d) Open and maintain bank accounts and deposit funds or draw checks and make  
27 distributions in accordance with the Plan.  
28  
29 (e) Engage and retain attorneys, accountants, engineers, agents, tax specialists, financial

1 advisers, appraisers, investment bankers, or other professionals and clerical assistance  
2 as may, in the discretion of the Plan Agent, be deemed necessary.

3 (f) Execute any documents on behalf of the Estate necessary to further the goals and  
4 objectives and accomplish the purposes of the Plan.

5 (g) Pay obligations or expenses of or relating to the Assets and that the Plan Agent  
6 reasonably deems to be in the best interest of Creditors or necessary to effectuate the  
7 Plan.

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

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

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

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

19 ~~(l)(k)~~ Establish and maintain reserves required by the Plan.

20 ~~(m)(l)~~ Make Distribution in accordance with the terms of the Plan

21 ~~(n)(m)~~ Act as is necessary with regard to all matters which the jurisdiction of the  
22 Bankruptcy Court is reserved under the Plan.

23 ~~(o)(n)~~ As soon as is practicable after the Final Distribution, oversee the dissolution and  
24  
25  
26  
27  
28

1 winding up of the Estate in accordance with applicable law and seek a Final Order  
2 from the Bankruptcy Court closing the Case and entry of a Final Decree.

3 ~~(p)~~(o) Without limiting any of the foregoing, deal with the Assets or any part or parts  
4 thereof in all other ways as would be lawful and do any and all things necessary to  
5 further the goals and objectives and accomplish the purposes of the Plan.  
6

7 The Plan Agent will make the plan payments from the revenue that is generated from the  
8 operation of the commercial property rental. The property rental business is in addition to the  
9 sale of the veterinary business. The rents are anticipated to generate approximately \$6,666,000  
10 per month aggregately. Debtor anticipates that he will continue practicing veterinary care with  
11 the purchaser of the clinic for an initial consultation fee of \$100,000 per year. The after-tax net  
12 income from employment is unknown.  
13

14 The Debtors has approximately \$10,000 in cash reserves. Their reserve is accumulated  
15 from the business income and will be used to pay for emergency repairs to the properties and to  
16 cover expenses associated with eviction or abandonment without payment of rent. The Debtors  
17 plans to use the reserve funds to satisfy the administrative costs of the Plan at the Effective Date  
18 and to replenish their reserve from the monthly rental income. A chart reflecting the projected  
19 income from the properties is attached as Exhibit 4 reflecting the feasibility of the Debtors' Plan.  
20

21 Plan payments will be made on all allowed claims under the Plan through the Debtors-in-  
22 Possession account. ~~Under supervision of the U.S. Trustee,~~ the Debtors will deposit all surplus  
23 rental income into their account for 60 months and pay all operational expenses and allowed  
24 claims. Payments on stipulated agreements will be made pursuant to the terms of the agreements  
25 until such claims are paid in full outside of the Plan.  
26

27 Except as otherwise agreed or set forth in the Plan, payments upon disputed claims will  
28

1 be made after the claim has become an Allowed Claim and a final non-appealable order of the  
2 Bankruptcy Court has been entered. Payments will begin on a regular quarterly basis calculated  
3 from the Effective Date of the Plan or thirty (30) days following the claim becoming an Allowed  
4 Claim, whichever is later. Payments that are under \$50.00 will be held in the Plan account until  
5 the following quarter.  
6

7 Notwithstanding anything in the Plan to the contrary, no partial payments and no partial  
8 distributions shall be made with respect to a disputed claim until all such disputes in connection  
9 with such disputed claim have been resolved by settlement among the parties or by entry of a  
10 final order of the Court. Any post-petitions payments made pursuant to an order of the Court will  
11 be credited to the satisfaction of the Allowed Claim under the terms of the Plan.  
12

#### 13 **E. Objections to Claims**

14 After the Effective Date, objections to Claims shall be made and objections to Claims  
15 made previous thereto shall be pursued by the Plan Agent or any other party properly entitled to  
16 do so after notice to the Plan Agent and the Reorganized Debtors, with approval by the  
17 Bankruptcy Court. Any objections to the Claims made after the Effective Date shall be filed and  
18 served not later than 180 days after the Effective Date; provided, however, that such period may  
19 be extended by order of the Bankruptcy court for good cause shown. In order to facilitate the  
20 Payment to holders of Allowed Claims and if and to the extent there are Disputed Claims in any  
21 Class, the Plan Agent shall set aside in a separate designated reserve account the payments  
22 applicable to such Disputed claims as if such Disputed Claims were Allowed Claims, pending  
23 allowance of the claim or disallowance of the Disputed Claims.  
24  
25

#### 26 **F. Holding of Undeliverable Distributions and Failure to Claim**

27 All Distributions other than to the Lenders are to be made to the holder of each Allowed  
28

1 Claim by the Debtors as estate representative at the address listed on the Schedules or proof of  
2 claim filed by such holder at the time of Distribution. Distributions to Lenders are to be made by  
3 tendering payments to the Administrative Agent for the benefit of Lenders at the last written  
4 address provided for such purpose. If any holders Distribution is returned as undeliverable, no  
5 further Distributions to such holder shall be made unless and until the Debtors is notified of the  
6 holder's current address, at which time all required Distributions shall be made to the holder.  
7 Undeliverable Distributions shall be held by the Debtors until such Distributions are claimed. All  
8 Claims for undeliverable Distributions must be made within ninety (90) days following a  
9 Distribution. After such date, all unclaimed Distributions shall be allocated pro rata to the  
10 members of the Class related to such Distribution notwithstanding any federal or state escheat  
11 laws to the contrary.  
12

#### 14 **G. Fractional Amounts**

15 Payment of fractions of dollars will not be made. Whenever any payment of a fraction of  
16 a dollar under the Plan is called for, the actual payment made will reflect a rounding of such  
17 fraction to the nearest dollar (up or down) with half dollars being rounded down.  
18

#### 19 **H. Binding Effect**

20 The Plan shall be binding on, and shall inure to the benefit of, the Debtors and the holders  
21 of all Claims and their respective successors and assigns.  
22

#### 23 **I. Exculpation**

24 The Debtors, the Administrative Agent, and their respective agents and attorney's shall  
25 not be liable for any actions or omissions taken or not taken in connection with or arising out of  
26 the administration of the Chapter 11 Case, pursuit of confirmation of the Plan, the consummation  
27 of the Plan, or the administration of the Plan or the property to be distributed under the Plan,  
28

1 except for gross negligence or willful misconduct as determined by Final Order of the Bankruptcy  
2 Court.

3 **J. Governing Law**

4 Except to the extent that the Bankruptcy Code or other federal law is applicable, the rights,  
5 duties and obligations of the Debtors, all Creditors and any other Person arising under the Plan  
6 shall be governed by, and construed and enforced in accordance with, the internal laws of the  
7 State of Nevada, without giving effect to Nevada's choice of law provisions.  
8

9 **K. Computation of Time**

10 In computing any period of time prescribed or allowed by the Plan, the day of the act,  
11 event, or default from which the designated period of time begins to run shall not be included.  
12 The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal  
13 holiday, or when the act to be done is filing of a paper in the Bankruptcy court, a day on which  
14 weather or other conditions have made the clerk's office inaccessible, in which event the period  
15 runs until the next day which is not one of the aforementioned days.  
16  
17

18 **L. Final Decree**

19 After the Estate is fully administered, the Debtors shall file an application for a Final  
20 Decree and shall serve the application on the U.S. Trustee, together with a proposed Final Decree.

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

22 THE FOLLOWING SUMMARY DOES NOT CONSTITUTE TAX ADVICE TO ANY  
23 PERSON. NO REPRESENTATIONS REGARDING THE EFFECT OF IMPLEMENTATION  
24 OF THE PLAN ON INDIVIDUAL CREDITORS ARE MADE HEREIN OR OTHERWISE.  
25 ALL CREDITORS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE  
26 TAX CONSEQUENCES OF THE PLAN TO THEM, TO THE DEBTORS AND TO THE  
27  
28

1 BANKRUPTCY ESTATE.

2 THE DEBTORS, CREDITORS AND ANY PERSON, ENTITY, TRUST OR  
3 ORGANIZATION AFFILIATED WITH THE FOREGOING ("THE PARTIES") ARE  
4 STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE  
5 FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM WHICH  
6 MAY RESULT FROM THE PROPOSED REORGANIZATION. THEIR DISCLOSURE  
7 STATEMENT SHALL NOT IN ANY WAY BE CONSTRUED AS MAKING ANY  
8 REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF  
9 CONFIRMATION AND CONSUMMATION OF THE PLAN TO THE PARTIES. THEIR  
10 DISCLOSURE STATEMENT IS GENERAL IN NATURE AND IS MERELY A SUMMARY  
11 DISCUSSION OF POTENTIAL TAX CONSEQUENCES TO THE PARTIES AND IS BASED  
12 UPON THE INTERNAL REVENUE CODE AND PERTINENT REGULATIONS RULINGS,  
13 COURT DECISIONS, AND TREASURY DECISIONS.

14  
15 Under the Internal Revenue Code of 1986, as amended (the "IRC"), there may be federal  
16 income tax consequences to the Parties as a result of confirmation and consummation of the Plan  
17 as described in the Disclosure Statement.

18  
19 The federal income tax consequences to Creditors and their affiliates arising from the Plan  
20 will vary depending upon, among other things, the type of consideration received by the Creditor  
21 in exchange for its Claim, whether the Creditor reports income using a cash or accrual method,  
22 whether the Creditor has taken a "bad debt" deduction with respect to its Claim, whether the  
23 Creditor receives consideration in more than one tax year of the Creditor, whether the Creditor is  
24 a resident of the United States, and whether the Creditor's claim is classified as a "security" or  
25 "debt" for federal income tax purposes. If a Creditor's claim is characterized as a loss from a  
26  
27  
28



1 security, then the loss will be treated as a sale or exchange of a capital asset under IRC §165, and  
2 whether it is a long term or short term capital loss will depend on the Creditor's holding period.  
3 If a Creditor's claim is characterized as a loss resulting from a debt, then the extent of the  
4 deduction will depend on whether the debt is deemed wholly worthless or partially worthless, and  
5 whether the debt is construed to be a business or non-business debt as determined under IRC  
6 §166.  
7

## 8 **XI. LIQUIDATION ANALYSIS**

### 9 **A. Alternatives to the Plan**

10 The Debtors believes that the Plan, as described herein, enables the Creditors to receive  
11 payment of their Allowed Claims as quickly as possible and for the greatest return as required  
12 under the Bankruptcy Code. In addition, the Debtors believe that the Plan provides their payment  
13 more quickly than any other alternative. In the Debtors' view, the only alternative to the Plan is  
14 a forced liquidation of the Debtors' Property in a chapter 7 case.  
15

16 In general, to determine what holders of Allowed claims in each Class would receive if  
17 Debtors was liquidated, the Bankruptcy Court must determine what funds would be generated  
18 from liquidation of the Debtors' assets. Such liquidation funds would be reduced by the costs  
19 and expenses of the liquidation and by such additional Administrative Claims and the use of the  
20 chapter 7 for the purpose of liquidation.  
21

22 The funds recovered from liquidation would be further reduced by the commission  
23 payable to the chapter 7 trustee and the trustee's attorney's fees, as well as the costs of the chapter  
24 11 estate (such as the compensation for chapter 11 professionals). In a chapter 7 case, the trustee  
25 would be entitled to seek a sliding scale commission based upon the funds distributed to the  
26 Creditors. In contrast, the trustee's commission is not paid in a chapter 11 case, and the Plan  
27  
28



1 Administer under the Plan will not be paid a commission or any compensation for their services.

2 **B. Liquidation**

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

14  
15  
16 In this Chapter 11 commercial case, Debtors believe that the commercial real property  
17 has a market value of \$750,000 and is subject to \$712,494 is secured claims by lending banks.  
18 Additionally, the IRS holds a secured claim of \$760,937 against all of the Debtors assets,  
19 including the commercial building. Therefore, the commercial building has a negative equity and  
20 would be surrendered to lenders under a liquidation analysis. The commercial assets are  
21 additionally pledged as security to creditors. However, the IRS's secured claim would apply to  
22 any equity in the commercial assets.

23  
24  
25 The personal assets include the personal residence, furniture, vehicles and personal assets.  
26 These assets are protected by claimed exemptions applicable under Nevada law. The small  
27 amount of unprotected equity held in a personal boat would be subject to the IRS's secured claim.  
28

1 -Therefore, the impaired classes would recover only the present value of the clinic practice  
2 if it could be sold in liquidation. The termination of Debtor's involvement with the clinic would  
3 be detrimental to the value of the practice and there is not a viable market for a veterinary business  
4 due to the licensing requirements. The pending sale has not been reduced to a committed written  
5 agreement and, therefore, cannot be assumed to be a source of income. The current potential buyer  
6 may refuse to complete the pending sale without assurance of the lease of the commercial building  
7 and the continued consultation of the Debtor.

9 Debtor has marketed the practice for two(2) years prior to the filing of the petition. Debtors  
10 have had a prior failed sales attempt. The loss of the commercial building would significantly  
11 impact the market value of the practice. Therefore, the practice would terminate for little or no  
12 value to pay the priority claims and general unsecured claims would receive no distribution.  
13

14 If the Debtors were to liquidate today, they would lose the income from the rental of the  
15 commercial property, and the clinic would be sold, terminating their income. Debtors would be  
16 limited to social security income resulting in a negative balance for disposable income per month  
17 and the inability to satisfy living expenses. Non exempt assets would amount to \$10,000; less  
18 than required to satisfy the priority tax debt, leaving nothing for unsecured creditors. The total  
19 value of the clinic practice is \$1.2 - \$1.8 million but only to the buyer located by the Debtor. The  
20 Debtors are of advanced age and continued employment other than in the veterinary clinic is  
21 unlikely.  
22

23  
24 Therefore, the proposed payment plan would be more beneficial to the general unsecured  
25 creditors.

26  
27 **M. Assumptions for Liquidation Analysis**  
28

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

- 2 1. The Liquidation Analysis was prepared in accordance with Section  
3 1129(a)(7)(A)(ii) to determine whether the Plan is in the best interests of the  
4 Debtors' estate and creditors.
- 5 2. The Liquidation Analysis is based upon a number of estimates and assumptions  
6 that, although considered reasonable by the Debtors, are subject to economic and  
7 business contingencies beyond the Debtors' control. Accordingly, no assurances  
8 can be made. The Liquidation Analysis is subject to change. Nothing contained  
9 herein shall be used as an admission against the Debtors or any other Person.
- 10 3. The Liquidation Analysis utilizes figures estimated by the Debtors as a basis for  
11 determining liquidation values. It does not include any proceeds from the sale of  
12 fully encumbered Assets. Additionally, liquidation values have been estimated by  
13 the Debtors for certain Assets as more particularly set forth in Exhibit 5.
- 14 4. The Chapter 11 distribution to unsecured creditors ranges from ~~0% to 5%~~, 50% to  
15 100% ~~for pay~~ of all Unsecured Claims, including contingent and disputed claims;  
16 In contract, the Chapter 7 distribution is a mere fraction of these amounts and  
17 would be predominately paid to priority creditors. Distribution under Chapter 7  
18 is anticipated to be \$0 to Unsecured Creditors. **See Exhibit 5.**

19  
20  
21  
22 **XII. CONCLUSION**

23 The Debtors has analyzed different scenarios and believes that confirmation of their Plan  
24 provides for a recovery for Creditors that is greater than other likely alternatives, and particularly  
25 a liquidation alternative. In addition, alternatives other than Confirmation of the Plan could result  
26 in extensive delays and increases in administrative expenses resulting in potentially smaller  
27  
28

1 distributions to the holders of Claims and equity interests. Accordingly, the Debtors recommend  
2 confirmation of the Plan and urge all holders of Allowed Claims to vote to accept the Plan and to  
3 indicate acceptance by returning their Ballots to be received no later than the voting deadline.

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26 Dated this \_\_\_\_\_ day of ~~September~~ November, 2016.  
27

28 \_\_\_\_\_  
GEORGE MARTIN ANAST

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CHERYL ANAST

Submitted by:

LAW OFFICE OF TIMOTHY P. THOMAS, LLC

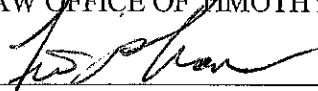
  
\_\_\_\_\_  
Timothy P. Thomas, Esq.  
Nevada State Bar No. 5148  
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Las Vegas, NV 89119

EXHIBIT 1

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5 Las Vegas, NV 89119  
6 (702) 227-0011 Fax (702) 227-0334  
7 tthomas@tthomaslaw.com  
8 *Attorney for Debtor*

9  
10  
11  
12 **UNITED STATES BANKRUPTCY COURT**  
13 **DISTRICT OF NEVADA**

14 In re: ) Case No: 15-16961-ABL  
15 **GEORGE MARTIN ANAST and** )  
16 **CHERYL ANAST,** )  
17 )  
18 Debtor. ) Date:  
19 ) Time:  
20 )  
21 )

22 **DEBTORS' PLAN OF REORGANIZATION**

23 GEORGE MARTIN ANAST and CHERYL ANAST ("Debtors"), the debtors-in-  
24 possession in the above captioned Chapter 11 Case, hereby propose this Plan of Reorganization  
25 ("Plan") for the resolution of Debtors' outstanding Claims and equity interests.

26 **YOUR RIGHTS MAY BE AFFECTED. ALL HOLDERS OF CLAIMS AGAINST THE**  
27 **DEBTOR ARE ENCOURAGED TO READ THE PLAN AND THEIR RELATED**  
28 **SOLICITATION IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT**  
29 **THE PLAN. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO RETAIN**  
30 **ONE TO ASSIST YOU IN REVIEWING THE PLAN.**

31 **PLEASE NOTE THAT THE CONFIRMED PLAN WILL CONTROL YOUR RIGHTS,**  
32 **THE RIGHTS OF ALL PARTIES-IN-INTEREST, AND THE RIGHTS OF THE**  
33 **DEBTOR.**

34 Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy  
35 Code and Bankruptcy Rule 3019, and those restrictions on modifications set forth in Section  
36 11.1 of the Plan, the Debtor expressly reserves the right to alter, amend, or modify the Plan one  
37 or more times before its substantial consummation.  
38

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1                   **ARTICLE 1. DEFINITIONS AND RULES OF INTERPRETATION**

2                   For purposes of the Plan, all capitalized terms shall have the meanings ascribed to them  
3 in Article 1 of the Plan. Any term used in the Plan that is not defined herein, but is defined in  
4 the Bankruptcy Code or the Bankruptcy Rules, retains the meaning specified for such term in  
5 the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires,  
6 such terms include the plural as well as the singular, the masculine gender includes the feminine  
7 gender, and the feminine gender includes the masculine gender.

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

9                   **1.1 Administrative Claim.** A claim for any cost or expense of administration of the  
10 Chapter 11 Case allowed under sections 503(b) or 507(b) of the Bankruptcy Code and entitled  
11 to priority under section 507(a)(2) of the Bankruptcy Code, including, without limitation: (a)  
12 fees payable under 28 U.S.C. §1930; (B) actual and necessary expenses incurred in the ordinary  
13 course of the Debtor's businesses; (c) actual and necessary expenses of preserving the Estate or  
14 administering the Chapter 11 Case; and (d) all Professional Fees to the extent Allowed by Final  
15 Order under sections 330, 331, or 503 of the Bankruptcy Code.

16                   **1.2 Administrative Claim Bar Date.** The date that is thirty (30) days after the Effective  
17 Date.

18                   **1.3 Allowed.** With reference to any Claim against in the Debtor, (a) any Claim which has  
19 been listed by the Debtor in the Schedules, as such Schedules may be amended by the Debtor  
20 from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not  
21 disputed or contingent and for which no contrary proof of claim or objection to Claim has been  
22 filed, (b) any Claim allowed hereunder, (c) any Claim, proof of which was filed on or before  
23 the Bar Date, or, with respect to a Governmental Unit, before the Governmental Unit Claims  
24 Bar Date, , which is not Disputed, (d) any Claim that is compromised, settled or otherwise  
25 resolved pursuant to a Final Order of the Bankruptcy Court, or (e) any Claim which, if  
26 Disputed, has been allowed by Final Order.

27                   **1.4 Bankruptcy Code.** Title 11 of the United States Code, 11 U.S.C. §§101-1532, as  
28 amended from time to time and as applicable to the Chapter 11 Case.

**1.5 Bankruptcy Court.** The United States Bankruptcy Court for the District of Nevada that  
will have jurisdiction over the Chapter 11 Case.

**1.6 Bankruptcy Rules.** Collectively, the Federal Rules of Bankruptcy Procedure as  
promulgated under 28 U.S.C. §2075 and any Local Rules, as applicable to the Chapter 11 Case.

**1.7 Bar Date.** The date established by order of the Bankruptcy Court as the last day for the  
filing of proofs of claim against the Debtor; *provided*, that the deadline for filing proofs of claim  
by a Governmental Unit shall be the Governmental Unit Claims Bar Date.

**1.8 Business Day.** Any day other than a Saturday, Sunday or legal holiday, as defined by  
Bankruptcy Rule 9006(a).

**1.9 Chapter 11 Case.** The case under Chapter 11 of the Bankruptcy Code in which the  
Debtor is a debtor and debtor-in-possession, pending before the Bankruptcy Court.

**1.10 Claim.** A claim, as defined in section 101(5) of the Bankruptcy Code, against a Person  
or its property, including, without limitation: (a) any right to payment, whether or not such right  
is reduced to judgment, liquidated, fixed, contingent, matured, disputed, legal, equitable,  
secured or unsecured arising at any time before the Effective Date; or (b) any right to an

1 equitable remedy for breach of performance if such breach gives rise to a right to payment,  
2 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,  
matured, disputed, secured or unsecured.

3 **1.11 Class.** A category of holder of Claims s that are substantially similar in nature to the  
Claims of other holders placed in such category, as designated in Article 3 of the Plan.

4 **1.12 Confirmation.** Entry of the Confirmation Order by the Bankruptcy Court.

5 **1.13 Confirmation Date.** The date the Bankruptcy court enters the Confirmation Order.

6 **1.14 Confirmation Hearing.** The hearing held by the Bankruptcy Court to consider  
Confirmation of the Plan.

7 **1.15 Confirmation Order.** The order of the Bankruptcy Court confirming the Plan in  
accordance with the Bankruptcy Code.

8 **1.16 Creditor.** Has the meaning set forth in section 101(10) of the Bankruptcy Code.

9 **1.17 Debtor.** Has meaning set forth in the preamble of the Plan.

10 **1.18 Deed of Trust.** That certain document entitled Deed of Trust, Assignment of Rights,  
Security Agreement and Fixture Filing created for the purpose of securing the Note with rights  
to an asset.

11 **1.19 Disclosure Statement.** The document approved by the Bankruptcy Court pursuant to  
section 1125(b) of the Bankruptcy Code to be used in explanation of the Plan and solicitation of  
votes on the Plan.

12 **1.20 Disputed.** With respect to a Claim, any Claim (a) that is listed in the Schedules as  
13 unliquidated, disputed or contingent and as to which no proof of claim has been filed; or (b) as  
14 to which the Debtor or any other party in interest has interposed a timely objection or request  
15 for estimation, or has sought to equitably subordinate or otherwise limit recovery in accordance  
with the Bankruptcy Code and the Bankruptcy Rules, or which is otherwise disputed by the  
16 Debtor in accordance with applicable law and as to which such objection, request for  
estimation, or request for subordination has not be withdrawn or determined by Final Order.

17 **1.21 Distribution.** A payment of Cash to the holder of an Allowed claim pursuant to the  
Plan.

18 **1.22 Effective Date.** The later of (a) the first Business Day that is at least eleven (11) days  
19 after the Confirmation Date and on which no stay of the Confirmation Order is in effect; and (b)  
the Business Day on which all of the conditions set forth in Section 6.2 of the Plan have been  
satisfied or waived.

20 **1.23 Estate.** The estate created in the Debtor's Chapter 11 Case in accordance with Section  
541 of the Bankruptcy Code.

21 **1.24 Final Decree.** A Final Order from the Bankruptcy Court closing this Chapter 11 Case.

22 **1.25 Final Order.** An order or judgment of the Bankruptcy Court (a) as to which the time to  
23 appeal, petition for certiorari, move for retrial or other proceeding for review or reconsideration  
is pending; (b) as to which any right to appeal, to petition for certiorari, to move for retrial or to  
24 seek other review or reconsideration has been waived in writing in form and substance  
satisfactory to the Debtor; or (c) as to which, if an appeal, writ of certiorari, retrial, or other  
25 review or reconsideration has been sought, such order or judgment shall have been affirmed by  
the highest court to which such order was appealed or from which such relief was sought or  
26 such court has denied such appeal or such relief and the time to take any further appeal, petition  
for certiorari, move that the motion under Rule 59 or 60 of the Federal Rules of Civil Procedure,  
27 or any analogous rule under the Bankruptcy rules, may be filed with respect to such order does  
28 not prevent such order from being a Final Order.

1 **1.26 Governmental Unit Claims Bar Date.** The deadline for filing proofs of claim by a  
Governmental Unit.

2 **1.27 Lender.** A holder of a beneficial interest in the Note.

3 **1.28 Lien.** A lien as defined by section 101(37) of the Bankruptcy Code, except a lien that  
has been avoided in accordance with sections 506, 544-549 or 553 of the Bankruptcy Code.

4 **1.29 Loan Documents.** The Note, Deed of Trust, the Guarantee and all of the other  
agreements, documents, and instruments evidencing or relating to any Claims arising from a  
5 Note.

6 **1.30 Person.** Any individual, corporation, partnership, limited liability company, joint  
venture, association, joint-stock company, trust, unincorporated association or organization, or  
7 other "person" as defined in section 101(41) of the Bankruptcy Code.

8 **1.31 Plan Agent.** Representative of the Bankruptcy Estate following Confirmation of the  
Reorganization Plan. Plan Agent may be Debtor or third party, holding responsibility to make  
Plan Payments and execute all documents necessary to effectuate the Plan.

9 **1.32 Property.** All of the Debtor's rights, title, and interest in any nature of property in any  
10 kind, wherever located, as specified in section 541 of the Bankruptcy Code, including without  
limitation, any real property owned by the Debtor as of the Confirmation Date.

11 **1.33 Secured Claim.** (a) A Claim against the Debtor secured by a Lien on any Assets, which  
Lien is valid, perfected and enforceable under applicable law and not void or subject to  
12 avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and which is duly  
established in the Chapter 11 Case, but only to the extent of the value of the holder's interest in  
13 the Debtor's interest in the Assets that secure payment of the Claim; (b) a Claim against the  
14 Debtor that is subject to a valid right of recoupment or setoff under section 553 of the  
Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff  
15 as provided in section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under  
16 the Plan as a Secured Claim; provided that, to the extent that the amount of any such Secured  
Claim is less than the amount of the Claim which has the benefit of any such Lien or right of  
17 recoupment or setoff, the balance of such Claim shall be treated as an Unsecured Claim.

18 **ARTICLE 2. CLASSIFICATION OF CLAIMS**

19 In accordance with section 1123(a)(1) of the Bankruptcy Code, all Claims of Creditors  
20 and holders of equity interests, include the following:

21

|    |         |                                   |  |
|----|---------|-----------------------------------|--|
| 22 | Class 1 | Secured Real Property Claims      | Impaired, entitled to vote   |
| 23 | Class 2 | Other Allowed Secured Claims      | <del>Unimpaired, deemed to accept</del> Impaired, entitled to vote |
| 24 | Class 3 | Allowed Priority Unsecured Claims | Impaired, entitled to vote   |
| 25 | Class 4 | General Unsecured Claims          | Impaired, entitled to vote   |
| 26 | Class 5 | Unclassified Claims               | Impaired, entitled to vote   |

27 **ARTICLE 3. TREATMENT OF CLAIMS**

28

| Class | Creditor             | Property         | Treatment    | Status     |
|-------|----------------------|------------------|--------------|------------|
| 1(a)  | Bank of America Home | 4360 E. Hacienda | \$170,354.30 | Unimpaired |

|    |                              |                                      |  |  |
|----|------------------------------|--------------------------------------|--|--|
|    | <del>Loans</del> Wells Fargo | Ave. Las Vegas                       |  |  |
| 1  |                              |                                      |  |  |
| 2  | Class 1(b)                   | Bank of NY Mellon                    | 4360 E. Hacienda                       | \$211,815                                  |
| 3  | Class 2(a)                   | Nevada State Bank                    | 3752 E. Tropicana Ave.                 | \$378,417.01                               |
| 4  |                              |                                      |  | Payment in full upon sale of business      |
| 5  | Class 2(b)                   | Nevada State Bank                    | 3752 E. Tropicana Ave.                 | \$303,979.06                               |
| 6  |                              |                                      |  | Payment in full upon sale of business      |
| 7  | Class 2(c)                   | Bank of Nevada                       | 3752 E. Trop. Ave. and business assets | \$305,09800.00                             |
| 8  |                              |                                      |  | Payment in full upon sale of business      |
| 9  | Class 2(d)                   | Internal Revenue Service (IRS)       | 3752 E. Trop. Ave. and business assets | \$109,645.70760,937                        |
| 10 |                              |                                      |  | Payment in full upon sale of business      |
| 11 | Class 2(e)                   | Idexx Labs/ Wells Fargo Laboratories | Business inventory                     | \$40,000.0094,380                          |
| 12 |                              |                                      |  | Reduced payment on value of inventory      |
| 13 | Class 3                      | IRS                                  | Priority Unsecured                     | \$338,211.6740,295                         |
| 14 |                              |                                      |  | Payments to be made in 60 equal payments   |
| 15 | Class 4                      | General Unsecured                    | n/a                                    | \$811,640.8766,500                         |
| 16 |                              |                                      |  | Payments from lease of 3752 Tropicana Ave. |
| 17 | Admin                        | Professionals                        | n/a                                    | \$   |
| 18 |                              |                                      |  | Pay in full                                |

**3.1 Class 1 Allowed Secured Claim of Bank of America Home Wells Fargo Loans secured by Debtor's Real Property.**

Class 1 claims consist of mortgage claims secured by the Debtor's real property. They are secured to the present appraised value of the property unless the Court orders otherwise or the parties agree otherwise. If the present appraised value is less than the amount of the Creditor's allowed claim, the deficiency will be classified as a general unsecured claim in Class 4.

The Allowed Secured Claims in Class 1 shall be satisfied by the satisfaction or modification of their existing Debt Instruments. To the extent that the Allowed Secured claims in Class 1 have not reached an agreement on the treatment of their claim under the Plan, or if the claimant has filed an election under 11 USC 1111(b), then their allowed secured claim will be paid in accordance with the requirements of 1111(b) with their entire claim deemed to be secured at the current claim amount to be paid at the current present value set by the appraised amount over a standard term of 40 years at the market interest rate.

Class 1 is a first mortgage that is secured by the Debtors' real property commonly known



1 as 4360 E. Hacienda Ave., Las Vegas, NV 89118.

2 Class 1(a) is held by Wells Fargo. The current mortgage agreement has a current principal  
3 balance of \$170,354 and requires the Debtors to pay the amount of \$1,451.22 per month for the  
4 remaining term after which the Debtor will own the property free and clear.

5 Class 1(b) is held by Bank of NY Mellon. This claim constitutes a second mortgage on  
6 the residence. The value of the property is approximately \$280,000.00. The claim amount is  
7 \$211,815., and the principal balance of the claim is set at \$170,354.30. ~~The first mortgage claim  
8 is held by Bank of America Home Loans.~~

### 9 **3.2 Class 2: Other Allowed Secured Claims secured by Debtor's Real Property.**

10 Class 2 Allowed Secured Claims are claims secured by the property of the Debtor's bankruptcy  
11 estate, consisting of 3752 E. Tropicana Ave., Las Vegas, NV 89121, and the business assets of  
12 Debtors' sole proprietorship veterinarian- practice known as Sandy Hill Animal Clinic to the  
13 extent allowed as secured claims under Section 506 of the Bankruptcy Code. Class 2 consists of  
14 four (4) claimants. If the value of the collateral or setoffs securing the creditor's claims is less  
15 than the amount of the creditor's allowed claims, the claim will be deemed partially secured and  
16 the unsecured portion will be classified as a general, unsecured claim in Class 4.

17 Class 2(a) consists of the Note A Secured Claim of Nevada State Bank. The original loan  
18 was divided into a Note A and Note B. Note A has an outstanding balance of \$378,417.01 secured  
19 by the Debtors real property located at 3752 E. Tropicana Ave., Las Vegas, NV 89121. Debtors  
20 have made monthly payments of \$2,797.00 per month through the pendency of the case as  
21 adequate protection of Note A and Note B. Debtors' real property will be retained after payment  
22 of this claim and all related liens will be released from the real property.

23 Class 2(b) consists of the Note B Secured Claim of Nevada State Bank. The original loan  
24 was divided into a Note A and Note B. Note A has an outstanding balance of \$303,979.06 secured  
25 by the Debtors real property located at 3752 E. Tropicana Ave., Las Vegas, NV 89121. Debtors  
26 have made monthly payments of \$2,797.00 per month through the pendency of the case as  
27 adequate protection of Note A and Note B. Debtors' real property will be retained after payment  
28 of this claim and all related liens will be released from the real property.

Class 2(c) consists of the Secured Claim of Bank of Nevada. The claim has an outstanding  
balance of ~~\$30,09835,000~~ secured by the Debtors real property located at 3752 E. Tropicana Ave.,  
Las Vegas, NV 89121, and the business assets of Sandy Hill Animal Clinic. Debtors' real  
property will be retained after payment of this claim and all related liens will be released from the  
real property.

Class 2(d) consists of the Secured Claim of the Internal Revenue Service. The claim has  
an outstanding balance of ~~\$109,645.70~~ 760,937.47 secured by the Debtors real property located at  
3752 E. Tropicana Ave., Las Vegas, NV 89121. Debtors' real property will be retained after  
payment of this claim and all related liens will be released from the real property.

1 Class 2(e) consists of the Secured Claims against the business assets. The claims, by  
 2 IDEXX Laboratories for \$40,633 secured by inventory and Wells Fargo for \$53,747 secured by  
 3 equipment, have an outstanding balance of approximately ~~\$94,380~~91,611 secured by the  
 4 inventory of medications and supplies and the X-ray machine held by the Sandy Hill Animal  
 5 Clinic. The collateral securing this claim has only nominal value on a liquidation basis.

### 6 **3.3 Class 3: Allowed Priority Unsecured Claims.**

7 Class 3 shall include certain priority claims that are referred to in Section 507 (a)(1), (4), (5), (6),  
 8 and (7) of the Bankruptcy Code. The Bankruptcy Code requires each claim holder to receive cash  
 9 on the effective date of the Plan equal to the allowed amount of such claim. A class of holders of  
 10 such claims, however, may vote to accept different treatment.

11 The priority claim is held by the Internal Revenue Service in the amount of  
 12 ~~\$338,211.67~~40,295 in priority tax claims under Class 3. This claim will be paid from the sales  
 13 proceeds or in 60 equal monthly payments..

### 14 **3.4 Class 4: General Unsecured Claims.**

15 General unsecured claims are not secured by property of the estate and are not entitled to  
 16 priority under Section 507(a) of the Bankruptcy Code. Class 4 claims include vendor claims,  
 17 personal loans and internal revenue unsecured claims. General unsecured claims, in the amount  
 18 of ~~\$811,640.87~~66,500.  Holders of claims will have the option of receiving 50% of their approved  
 19 claim amount from the proceeds of sale or by installments within six(6) months of the effective  
 20 date, or alternatively, -will receive a distribution of approximately 100% of their allowed claim  
 21 through the proceeds of the lease income of the real property located at 3752 E. Tropicana Ave..  
 22 Distribution shall be made after payment of Classes 1-3. Class 4 Claimant receives a vote to either  
 23 accept or reject the Debtor's Plan.

### 24 **3.5 Class 5: Unclassified Claims**

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

#### 1. Administrative Expenses.

As provided in section 1123(a)(1) of the Bankruptcy Code, Administrative claims,  
 including, without limitation, claims for Professional Fees, are not classified for purposes of  
 voting on the Plan. Holders of such Claims are not entitled to vote on the Plan. Such claims are  
 tested separately in accordance with the requirement set forth in section 1129(a)(9)(A) of the  
 Bankruptcy Code.

Administrative claims will be paid in full in cash, by the Debtor, as a one-time payment,

1 on the later of (a) the Effective Date; (b) the tenth (10<sup>th</sup>) day after such Administrative Claim is  
2 Allowed; and (c) such date as the holder of any Administrative Claim and the Debtor shall agree  
upon.

3 All requests for payment of Administrative Claims, other than Professional Fees, must be  
4 filed by the Administrative Claim Bar Date or the holders thereof shall be forever barred from  
asserting such Administrative Claims against the Debtor.

5  
6 **2. Trustee's Fees**

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

10 **ARTICLE 4: DISPUTED CLAIMS**

11 **4.1 Unexpired Executory Contracts and Leases.**

12 All executory contracts and unexpired leases that both exist on the Confirmation Date  
13 and are set forth on the list of executor contracts and unexpired leases attached as **Exhibit B** to  
this Plan shall be assumed or rejected by the Reorganized Debtor as described in Exhibit B.

14 The Debtor, up until the Effective Date may modify the schedule of executor contracts,  
15 with notice to the non-debtor party to the contracted affected by such modification. All  
16 executory contracts and unexpired leases not identified in Exhibit B shall be deemed rejected on  
the Effective Date. Claimants of rejected executor contracts and unexpired leases will receive  
17 0.00% of their monetary claims and may only repossess any collateral that secures their claims.

18 Executory contracts and unexpired leases entered into or incurred after the Petition Date  
19 by the Debtor shall be assumed by the Debtor on the Effective Date. Each such contract or lease  
shall be performed by the Reorganized Debtor and the counter party, as applicable, in the  
ordinary course of business.

20 **4.2 Bar Date.**

21 A proof of claim arising from the rejection of an executory contract or unexpired lease  
22 under this section must be filed no later than thirty (30) days after the date of the order confirming  
this Plan.

23  
24 **4.3 Objections to Claims**

25 After the Effective Date, objections to Claims shall be made and objections to Claims  
26 made previous thereto shall be pursued by the Plan Agent or any other party properly entitled to  
do so after notice to the Plan Agent and the Reorganized Debtor, with approval by the Bankruptcy  
27 Court. Any objections to the Claims made after the Effective Date shall be filed and served not  
later than 180 days after the Effective Date; provided, however, that such period may be extended  
28 by order of the Bankruptcy court for good cause shown. In order to facilitate the Payment to

1 holders of Allowed Claims and if and to the extent there are Disputed Claims in any Class, the  
2 Plan Agent shall set aside in a separate designated reserve account the payments applicable to  
3 such Disputed claims as if such Disputed Claims were Allowed Claims, pending allowance of the  
4 claim or disallowance of the Disputed Claims.

## 5 **ARTICLE 5: EFFECTS OF CONFIRMATION**

### 6 **5.1 Reservation of Rights**

7 Except as expressly set forth herein, the Plan shall have no force or effect until the Court  
8 enters the confirmation order. Neither the filing of the Plan, any statement or provision contained  
9 in the Disclosure Statement, nor the taking of any action by the Debtor or any other entity with  
10 respect to the Plan shall be an admission or waiver of any rights of (1) the Debtor with respect to  
11 the holders of claims or other entities; or (2) any holder of Claims or other entity prior to the  
12 Effective Date of the Plan.

### 13 **5.2 Approval of Assumption or Rejection.**

14 Entry of the Confirmation Order shall constitute, as of the Effective Date, (i) approval  
15 pursuant to Bankruptcy Code section 365(a) of the assumption or rejection by Reorganized  
16 Debtor of each executor contract and unexpired lease as described in **Exhibit B**, (ii) approval  
17 for Debtor to reject each executor contract and unexpired lease to which Debtor is a party and  
18 which is not listed in Exhibit B and neither assumed, assumed and assigned nor rejected by  
19 separate order prior to the Effective Date. Upon the Effective Date, each counter party to an  
20 executor contract or unexpired lease listed on Exhibit B shall be deemed to have consented to  
21 assumption contemplated by Section 365(c)(1)(B) of the Bankruptcy Code, to the extent such  
22 consent is necessary for assumption.

23 The Reorganized Debtor shall Cure any defaults respecting each executor contract or  
24 unexpired lease assumed upon the Effective Date or a soon thereafter as practicable or on any  
25 date as may be fixed by the Bankruptcy Court or agreed upon by Debtor, and after the Effective  
26 Date, the Reorganized Debtor.

### 27 **5.3 Vesting of Assets in the Reorganized Debtor.**

28 After confirmation of the Plan, all property of the Debtor shall vest in the reorganizaed  
Debtor, free and clear of all liens, claims, charges, or other encumbrances, except those  
enumerated in the order approving the Motion to Value and the confirmation order. The  
reorganized Debtor may operate his business and may use, acquire, dispose of property and  
compromise or settle any claims without supervision or approval of the Bankruptcy Court and  
free of any restrictions of the Bankruptcy Code or Rules, other than those restrictions expressly  
imposed by the Plan and the confirmation order. Without limiting the foregoing, the Debtor may  
pay the charges that he insures after confirmation for professional fees, disbursement, expenses  
or related support services without application to the Bankruptcy Court.

### **5.4 Discharge of the Debtor.**



1 The Debtor shall be discharged from all debts that arose prior to confirmation of the plan,  
2 upon the completion of the payments under the Plan, and entry of an order of discharge by the  
3 Bankruptcy Court pursuant to §1141(d)(5)(A). The Debtor's Discharge shall be entered by the  
4 Court in response to an ex parte request for entry of the Debtor's Discharge, supported by a  
5 Declaration of the Plan Agent attesting to the fact that the Debtor has paid in full the Payments  
6 under the Plan. The Debtor shall not be discharged from any debt (i) imposed by the terms of the  
7 Plan, (ii) determined by the US Bankruptcy Court to be of a kind specified in 11 U.S.C. §523, as  
8 excluded from discharge.

9 **5.5 Plan Payments**

10 The Debtors will implement their Plan by serving as a Plan Agent for payment of Claims  
11 pursuant to the Plan. No compensation will be paid to the Debtors for serving as Plan Agents;  
12 however, he will be entitled to reimbursement of expenses and compensation for any  
13 professionals who assist him in the performance of his duties as Plan Agent.

14 **ARTICLE 6: IMPLEMENTATION OF THE PLAN**

15 **6.1 Release of Liens**

16 Pursuant to section 1142(b) of the Bankruptcy Code, the entry of the Confirmation Order  
17 shall constitute a direction by the Bankruptcy Court to the Administrative Agent and the Lenders  
18 to execute the documents necessary to release the Deeds of Trust and any Liens granted thereby  
19 shall be deemed satisfied as of the Effective Date without further order of the Court.

20 **6.2 Post-Confirmation Matters**

21 On or after the Effective Date, and without need of further action by the Debtor or the  
22 Bankruptcy Court, the Debtor shall be appointed as Estate Representative under section 1123 of  
23 the Bankruptcy Code and shall be solely responsible for and shall have authority to: (a) make all  
24 Distributions required to be made on or after the Effective Date to the holders of Allowed  
25 Claims; (b) settle, resolve and object to Claims; (c) pay all fees payable under 28 U.S.C. §1930;  
26 (D) file any post-Confirmation reports required by the Bankruptcy Court or the Bankruptcy  
27 Code; (e) retain, employ and utilize such Professionals as may be necessary without further  
28 approval of the Bankruptcy court; (f) do all things necessary and appropriate to fulfill the duties  
and obligations of the Debtor under the Plan, the Confirmation Order, the Bankruptcy Code and  
the Bankruptcy Rules; (g) move for the entry of a Final Decree and prepare and file any  
pleadings as may be required by the Bankruptcy Court in connection with the Final Decree and  
the closing of the Chapter 11 and (h) dissolve the Debtor upon the entry of a Final Decree. The  
Debtor, in its capacity as estate representative, shall comply with all withholding and reporting  
requirements imposed upon it by any Governmental Unit under applicable law and all  
Distributions shall be subject to such withholding and reporting requirements, if any.

**ARTICLE 7: CONDITIONS PRECEDENT**

1 7.1 Condition on Confirmation. It is a condition precedent to Confirmation that the  
2 Bankruptcy Court enter a Confirmation Order in form and substance reasonably acceptable to  
3 the Debtor.

4 7.2 Conditions to Effectiveness. The following are conditions precedent to the  
5 occurrence of the Effective Date:

- 6 (a) The Confirmation Date shall have occurred;
- 7 (b) The Confirmation Order shall have been entered and shall be a Final Order;
- 8 (c) no request for revocation of the Confirmation Order under section 1144 of the  
9 Bankruptcy Code shall have been made, or, if made, remain pending;
- 10 (d) The Debtor shall have received all approvals necessary or appropriate to  
11 substantially consummate the Plan; and
- 12 (e) Each and every Plan Document shall be fully executed and in form and substance  
13 satisfactory to the Debtor.

14 7.3 Waiver of Conditions. Conditions to Confirmation and the occurrence of the  
15 Effective Date may be waived in whole or in part by the Debtor at any time without notice, and  
16 an order of the Bankruptcy Court, or further action other than proceeding to Confirmation and  
17 consummation of the Plan.

18 7.4 If the Effective Date shall not occur, the Debtor and all other parties in interest  
19 shall retain all their rights and remedies as if the Plan had not been proposed. Among other  
20 things, the Plan shall be null and void and nothing contained in the Plan shall: (a) constitute a  
21 waiver of any Claims against the Debtor or (b) prejudice in any manner the rights of the Debtor  
22 or the Lenders.

23 **ARTICLE 8: RETENTION OF JURISDICTION**

24 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective  
25 Date, the Bankruptcy Court shall retain and have all authority and jurisdiction as is allowed  
26 under the Bankruptcy Code and other applicable law to enforce the provisions, purposes, and  
27 intent of the Plan, including, without limitation, matters or proceedings related to :

- 28 (a) Allowance, disallowance, determination, liquidation, classification, estimation or  
establishment of the priority or secured or unsecured status of any Claim, including,  
without limitation, the resolution of any request for payment of  
~~Administrative~~Administrative Claims and the resolution of any and all objections to  
the allowance or priority of Claims;
- (b) Requests for payment of Claims entitled to priority under section 507(a) of the  
Bankruptcy Code, including, without limitation, compensation and reimbursement fo  
expenses of Professionals to the extent of the Bankruptcy Court approval thereof is  
required under the Plan or the Confirmation Order;
- (c) The title, rights, or interests of the Debtor in any property, including the Property  
and the recovery of all assets and property of the Estate wherever located;
- (d) Any right, power, action or duty of the Debtor or the Administrative Agent under the  
Plan.

- 1 (e) Any determination or estimation necessary or appropriate under section 505 of the  
2 Bankruptcy Code or other determination relating to tax returns filed or to be filed by  
3 the Debtor for the periods through the end of the fiscal year in which the Effective  
4 Date occurs, including the determination of the amount of taxes, net operating losses,  
5 tax attributes, tax benefits, tax refunds and related matters of the Debtor.
- 6 (f) Ensuring that Distributions to holders of Allowed Claims are accomplished in  
7 accordance with the Plan.
- 8 (g) Resolution of controversies and disputes, including the correction of any mistake,  
9 defect, or omission regarding consummation, interpretation or enforcement of the  
10 Plan, the Confirmation Order, or any agreements referred to in the Plan or executed  
11 in contemplation of or implementation of the Plan.
- 12 (h) Resolution of any motions, adversary proceeding, contested or litigated matters, and  
13 any other matters involving the Debtor that may be pending on the Effective Date;
- 14 (i) Entry of such orders as may be necessary or appropriate to implement or  
15 consummate the provisions of the Plan and all contracts, instruments, releases and  
16 other agreements or documents created in connection with the Plan;
- 17 (j) Modification of the Plan before or after the Effective Date under section 1127 of the  
18 Bankruptcy Code or any contract, instrument, release or other agreement or  
19 document created in connection with the Plan in such manner as may be necessary or  
20 appropriate to consummate the Plan, to the extent authorized by the Bankruptcy  
21 Code.
- 22 (k) The entry of an order including injunctions necessary to enforce the title, rights, and  
23 powers of the Debtor and the purposes and intent of the Plan, and to impose such  
24 limitations, restrictions, terms and conditions of such title, rights and powers as the  
25 Bankruptcy Court may deem necessary;
- 26 (l) Implementation of the provisions of the Plan and entry of such orders (i) in aid of  
27 Confirmation of the Plan, including appropriate orders to protect the Debtor from  
28 actions by holders of Claims; or (ii) as are necessary or appropriate if the  
Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated.
- (m) Determination of any other matter that (i) may arise in connection with or related to  
the Plan, the Confirmation Order or any contract, instrument, release or other  
agreement or document created in connection with the Plan or the Confirmation  
Order except as otherwise provided in the Plan, or (ii) are otherwise provided under  
the Bankruptcy Code or other applicable law; and
- (n) Entry of a Final Decree closing the Chapter 11 Case, including, without limitation,  
provisions for injunctive relief as may be equitable, consistent with Bankruptcy Rule  
3022 and for retention of jurisdiction for the Bankruptcy Court for purposes of this  
Article.

*(Remainder of Page Left Intentionally Blank)*

1 IN WITNESS WHEREOF, the Debtors executed the Plan as of ~~September~~ November

2 \_\_\_\_\_ 2016.

3 \_\_\_\_\_  
4 GEORGE MARTIN ANAST

5 \_\_\_\_\_  
6 CHERYL ANAST

7  
8  
9 Submitted by:

10 LAW OFFICE OF TIMOTHY P. THOMAS, LLC

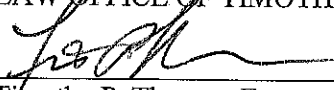
11   
12 \_\_\_\_\_  
13 Timothy P. Thomas, Esq.  
14 1771 E. Flamingo Rd., Ste. 212-B  
15 Las Vegas, NV 89119  
16 (702)227-0011  
17 Counsel for Debtor  
18  
19  
20  
21  
22  
23  
24  
25  
26  
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28

EXHIBIT 2

**Fill in this information to identify your case and this filing:**

|   |                            |             |           |
|---|----------------------------|-------------|-----------|
| Debtor 1  | <b>George Martin Anast</b> |             |           |
|   | First Name                 | Middle Name | Last Name |
| Debtor 2<br>(Spouse, if filing)                                   | <b>Cheryl Anast</b>        |             |           |
|   | First Name                 | Middle Name | Last Name |
| United States Bankruptcy Court for the: <u>DISTRICT OF NEVADA</u> |                            |             |           |
| Case number   | <u>15-16961</u>            |             |           |

Check if this is an amended filing

**Official Form 106A/B**  
**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- No. Go to Part 2.  
 Yes. Where is the property?

1.1

**4360 E Hacienda Ave.**

Street address, if available, or other description

**Las Vegas**      **NV**      **89120-0000**  
 City                      State                      ZIP Code

**Clark**  
 County

What is the property? Check all that apply

- Single-family home
- Duplex or multi-unit building
- Condominium or cooperative
- Manufactured or mobile home
- Land
- investment property
- Timeshare
- Other

Who has an interest in the property? Check one

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Current value of the entire property? | Current value of the portion you own? |
| <b>\$280,000.00</b>                   | <b>\$280,000.00</b>                   |

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

**Joint tenant**

Check if this is community property (see instructions)

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

**If you own or have more than one, list here:**

1.2 **3752 E. Tropicana Ave.**  
 Street address, if available, or other description

**Las Vegas NV 89121-0000**  
 City State ZIP Code

**Clark**  
 County

**What is the property? Check all that apply**

- Single-family home
- Duplex or multi-unit building
- Condominium or cooperative
- Manufactured or mobile home
- Land
- Investment property
- Timeshare
- Other **Veterinary Hospital**

**Who has an interest in the property? Check one**

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Do not deduct secured claims or exemptions. Put the amount of any secured claims on Schedule D: Creditors Who Have Claims Secured by Property.

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Current value of the entire property? | Current value of the portion you own? |
| <b>\$750,000.00</b>                   | <b>\$750,000.00</b>                   |

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>

**\$1,030,000.00**

**Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on Schedule G: Executory Contracts and Unexpired Leases.

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

- No
- Yes

3.1 Make: **GMC**  
 Model: **Suburban**  
 Year: **1991**  
 Approximate mileage: \_\_\_\_\_  
 Other information:  
 \_\_\_\_\_

**Who has an interest in the property? Check one**

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this is community property (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on Schedule D: Creditors Who Have Claims Secured by Property.

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Current value of the entire property? | Current value of the portion you own? |
| <b>\$1,000.00</b>                     | <b>\$1,000.00</b>                     |

3.2 Make: **Chrysler**  
 Model: **PT Cruiser**  
 Year: **2004**  
 Approximate mileage: \_\_\_\_\_  
 Other information:  
 \_\_\_\_\_

**Who has an interest in the property? Check one**

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Check if this is community property (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on Schedule D: Creditors Who Have Claims Secured by Property.

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Current value of the entire property? | Current value of the portion you own? |
| <b>\$800.00</b>                       | <b>\$800.00</b>                       |

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

**4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**  
*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

- No  
 Yes

4.1 Make: **Bayliner**  
 Model: **Boat**  
 Year: **2004**  
 Other Information:

Who has an interest in the property? Check one  
 Debtor 1 only  
 Debtor 2 only  
 Debtor 1 and Debtor 2 only  
 At least one of the debtors and another  
 Check if this is community property  
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on Schedule D: Creditors Who Have Claims Secured by Property.  
 Current value of the entire property? **\$4,000.00**  
 Current value of the portion you own? **\$4,000.00**

5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>

**\$5,800.00**

**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items?

Current value of the portion you own?  
 Do not deduct secured claims or exemptions.

**6. Household goods and furnishings**

*Examples: Major appliances, furniture, linens, china, kitchenware*  
 No  
 Yes. Describe.....

Tables  
 Chairs  
 Beds  
 Washer/Dyer  
 Kitchen Utensils  
 TV's

**\$20,000.00**

**7. Electronics**

*Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games*  
 No  
 Yes. Describe.....

**8. Collectibles of value**

*Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles*  
 No  
 Yes. Describe.....

**9. Equipment for sports and hobbies**

*Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments*  
 No  
 Yes. Describe.....

**10. Firearms**

*Examples: Pistols, rifles, shotguns, ammunition, and related equipment*  
 No  
 Yes. Describe.....

**11. Clothes**

*Examples: Everyday clothes, furs, leather coats, designer wear, shoes, accessories*  
 No



Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

Yes. Describe.....

**Clothing items for both debtors**

**\$1,000.00**

**12. Jewelry**

*Examples: Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver*

No

Yes. Describe.....

**Costume Jewelry & Wedding Rings**

**\$2,500.00**

**13. Non-farm animals**

*Examples: Dogs, cats, birds, horses*

No

Yes. Describe.....

**14. Any other personal and household items you did not already list, including any health aids you did not list**

No

Yes. Give specific information.....

**Books, Pictures, art objects**

**\$400.00**

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here .....**

**\$23,900.00**

**Part 4: Describe Your Financial Assets**

**Do you own or have any legal or equitable interest in any of the following?**

**Current value of the portion you own? Do not deduct secured claims or exemptions.**

**16. Cash**

*Examples: Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition*

No

Yes.....

**17. Deposits of money**

*Examples: Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.*

No

Yes..... Institution name:

**18. Bonds, mutual funds, or publicly traded stocks**

*Examples: Bond funds, investment accounts with brokerage firms, money market accounts*

No

Yes..... Institution or issuer name:

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**

No

Yes. Give specific information about them.....  
 Name of entity: % of ownership:

**20. Government and corporate bonds and other negotiable and non-negotiable instruments**

*Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders. Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.*

No

Yes. Give specific information about them  
 Issuer name:

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

**21. Retirement or pension accounts**

*Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans*

No

Yes. List each account separately.

Type of account:

Institution name:

**22. Security deposits and prepayments**

*Your share of all unused deposits you have made so that you may continue service or use from a company*

*Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others*

No

Yes. ....

Institution name or individual:

**23. Annuities (A contract for a periodic payment of money to you, either for life or for a number of years)**

No

Yes..... Issuer name and description.

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

*26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).*

No

Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

No

Yes. Give specific information about them...

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property**

*Examples: Internet domain names, websites, proceeds from royalties and licensing agreements*

No

Yes. Give specific information about them...

**27. Licenses, franchises, and other general intangibles**

*Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses*

No

Yes. Give specific information about them...

**Money or property owed to you?**

**Current value of the portion you own? Do not deduct secured claims or exemptions.**

**28. Tax refunds owed to you**

No

Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

**29. Family support**

*Examples: Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement*

No

Yes. Give specific information.....

**30. Other amounts someone owes you**

*Examples: Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else*

No

Yes. Give specific information..

**31. Interests in insurance policies**

*Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance*

No

Yes. Name the insurance company of each policy and list its value.

Company name:

Beneficiary:

Surrender or refund value:

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

32. **Any interest in property that is due you from someone who has died**  
 If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.  
 No  
 Yes. Give specific information..

33. **Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**  
*Examples: Accidents, employment disputes, insurance claims, or rights to sue*  
 No  
 Yes. Describe each claim.....

34. **Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**  
 No  
 Yes. Describe each claim.....

35. **Any financial assets you did not already list**  
 No  
 Yes. Give specific information..

36. **Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

|               |
|---------------|
| <b>\$0.00</b> |
|---------------|

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**

37. **Do you own or have any legal or equitable interest in any business-related property?**  
 No. Go to Part 6.  
 Yes. Go to line 38.

**Current value of the portion you own?**  
 Do not deduct secured claims or exemptions.

38. **Accounts receivable or commissions you already earned**  
 No  
 Yes. Describe.....

39. **Office equipment, furnishings, and supplies**  
*Examples: Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices*  
 No  
 Yes. Describe.....

|   |
|---|
| <b>Equipment in Veterinary Clinic</b><br>3752 E. Tropicana<br>Las Vegas, NV 89121 |
|---|

**\$58,000.00**

40. **Machinery, fixtures, equipment, supplies you use in business, and tools of your trade**  
 No  
 Yes. Describe.....

41. **Inventory**  
 No  
 Yes. Describe.....

42. **Interests in partnerships or joint ventures**  
 No

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

Yes. Give specific information about them.....  
 Name of entity:

% of ownership:

**43. Customer lists, mailing lists, or other compilations**

- No.
- Do your lists include personally identifiable information (as defined in 11 U.S.C. § 101(41A))?  
  - No
  - Yes. Describe.....

**44. Any business-related property you did not already list**

- No
- Yes. Give specific information.....

**45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here.....**

**\$58,000.00**

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
 If you own or have an interest in farmland, list it in Part 1.

**46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

- No. Go to Part 7.
- Yes. Go to line 47.

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

**53. Do you have other property of any kind you did not already list?**  
*Examples: Season tickets, country club membership*

- No
- Yes. Give specific information.....

**54. Add the dollar value of all of your entries from Part 7. Write that number here .....**

**\$0.00**

**Part 8: List the Totals of Each Part of this Form**

|     |  |                    |   |
|-----|--|--------------------|---|
| 55. | Part 1: Total real estate, line 2 .....                      |                    | <b>\$1,030,000.00</b>                           |
| 56. | Part 2: Total vehicles, line 5                               | <u>\$5,800.00</u>  |   |
| 57. | Part 3: Total personal and household items, line 15          | <u>\$23,900.00</u> |   |
| 58. | Part 4: Total financial assets, line 36                      | <u>\$0.00</u>      |   |
| 59. | Part 5: Total business-related property, line 45             | <u>\$58,000.00</u> |   |
| 60. | Part 6: Total farm- and fishing-related property, line 42    | <u>\$0.00</u>      |   |
| 61. | Part 7: Total other property not listed, line 54             | <u>\$0.00</u>      |   |
|     |  | +                  |   |
| 62. | Total personal property. Add lines 56 through 61...          | <u>\$87,700.00</u> | Copy personal property total <u>\$87,700.00</u> |
| 63. | Total of all property on Schedule A/B. Add line 55 + line 62 |                    | <b>\$1,117,700.00</b>                           |

EXHIBIT 3

**Fill in this information to identify your case:**

Debtor 1 George Martin Anast  
First Name Middle Name Last Name

Debtor 2 Cheryl Anast  
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: DISTRICT OF NEVADA

Case number 15-16961  
(if known)

Check if this is an amended filing

**Official Form 106C**  
**Schedule C: The Property You Claim as Exempt**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

**Part 1: Identify the Property You Claim as Exempt**

- Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.
  - You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
  - You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

| Brief description of the property and line on <i>Schedule A/B</i> that lists this property      | Current value of the portion you own<br><small>Copy the value from <i>Schedule A/B</i></small> | Amount of the exemption you claim<br><small>Check only one box for each exemption.</small>   | Specific laws that allow exemption          |
|---|--|--|---|
| 4360 E Hacienda Ave. Las Vegas, NV<br>89120 Clark County<br>Line from <i>Schedule A/B</i> : 1.1 | \$280,000.00   | <input checked="" type="checkbox"/> \$170,354.30<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | Nev. Rev. Stat. §§ 21.090(1)(I) and 115.050 |
| 1991 GMC Suburban<br>Line from <i>Schedule A/B</i> : 3.1  | \$1,000.00   | <input checked="" type="checkbox"/> \$1,000.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit   | Nev. Rev. Stat. § 21.090(1)(f)              |
| 2004 Chrysler PT Cruiser<br>Line from <i>Schedule A/B</i> : 3.2                                 | \$800.00   | <input checked="" type="checkbox"/> \$800.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit     | Nev. Rev. Stat. § 21.090(1)(f)              |
| 2004 Bayliner Boat<br>Line from <i>Schedule A/B</i> : 4.1                                       | \$4,000.00   | <input checked="" type="checkbox"/> \$1,600.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit   | Nev. Rev. Stat. § 21.090(1)(z)              |

Debtor 1 **George Martin Anast**  
 Debtor 2 **Cheryl Anast**

Case number (if known) **15-16961**

| Brief description of the property and line on Schedule A/B that lists this property  | Current value of the portion you own<br><small>Copy the value from Schedule A/B</small> | Amount of the exemption you claim<br><small>Check only one box for each exemption.</small>   | Specific laws that allow exemption    |
|--|---|--|---------------------------------------|
| <b>Tables</b><br><b>Chairs</b><br><b>Beds</b><br><b>Washer/Dyer</b><br><b>Kitchen Utensils</b><br><b>TV's</b><br>Line from Schedule A/B: 6.1 | <b>\$20,000.00</b>  | <input checked="" type="checkbox"/> <b>\$20,000.00</b><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | <b>Nev. Rev. Stat. § 21.090(1)(b)</b> |
| <b>Clothing items for both debtors</b><br>Line from Schedule A/B: 11.1   | <b>\$1,000.00</b>   | <input checked="" type="checkbox"/> <b>\$1,000.00</b><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit  | <b>Nev. Rev. Stat. § 21.090(1)(b)</b> |
| <b>Costume Jewelry &amp; Wedding Rings</b><br>Line from Schedule A/B: 12.1   | <b>\$2,500.00</b>   | <input checked="" type="checkbox"/> <b>\$2,500.00</b><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit  | <b>Nev. Rev. Stat. § 21.090(1)(a)</b> |
| <b>Books, Pictures, art objects</b><br>Line from Schedule A/B: 14.1  | <b>\$400.00</b>   | <input checked="" type="checkbox"/> <b>\$400.00</b><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit    | <b>Nev. Rev. Stat. § 21.090(1)(z)</b> |
| <b>Equipment in Veterinary Clinic</b><br><b>3752 E. Tropicana</b><br><b>Las Vegas, NV 89121</b><br>Line from Schedule A/B: 39.1              | <b>\$58,000.00</b>  | <input checked="" type="checkbox"/> <b>\$20,000.00</b><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | <b>Nev. Rev. Stat. § 21.090(1)(d)</b> |

3. **Are you claiming a homestead exemption of more than \$155,675?**  
 (Subject to adjustment on 4/01/16 and every 3 years after that for cases filed on or after the date of adjustment.)
- No
- Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- No
- Yes

EXHIBIT 4



## LIQUIDATION ANALYSIS

Residential Real Property

|                      |                 |
|----------------------|-----------------|
| 4360 E. Hacienda Ave | \$280,000       |
| Less: Wells Fargo    | <\$170,354>     |
| Bank of NY           | <\$211,815>     |
| Net Value:           | <\$102,169>     |
| Personal Assets      | \$29,700        |
| Less: Exemptions     | <\$27,300>      |
| Net Value:           | <b>\$ 2,400</b> |

Commercial Real Property

|                           |             |
|---------------------------|-------------|
| 3752 E. Tropicana         | \$750,000   |
| Less: Nevada State Bank A | <\$378,417> |
| Nevada State Bank B       | <\$303,979> |
| Bank of Nevada            | <\$ 30,098> |
| Clark County taxes        | <\$ 2,500>  |
| Internal Revenue Secured  | <\$760,937> |
| Net Value:                | <\$725,935> |

## Commercial Assets

|                   |                 |
|-------------------|-----------------|
| Inventory         | \$40,000        |
| Less: IDEXX Labs  | <u>\$40,633</u> |
| Net Value:        | <\$ 633>        |
| Equipment         | \$58,000        |
| Less: Wells Fargo | <u>\$53,747</u> |
| Net Value:        | <b>\$ 4,253</b> |

|                                |                      |
|--------------------------------|----------------------|
| Total Net Value:               | \$6,653              |
| Less: Excess IRS secured claim | < <u>\$725,935</u> > |
| Total liquidation value        | \$0                  |