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E-filed on: November 28, 2016

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

8 In re:

BK-16-11326-mkn

Chapter: 11

9 BYRON STEPHENS KILPATRICK,

Date of Hearing: January 25, 2016

Time of Hearing: 9:30 a.m.

Place: Courtroom No. 2, Third Floor

10 Debtor.

Foley Federal Building

300 Las Vegas Blvd., S.

Las Vegas, NV 89101

Judge: Hon. Mike K. Nakagawa

11 **DEBTOR BYRON STEPHENS KILPATRICK'S DISCLOSURE STATEMENT**
12 **FOR PLAN OF REORGANIZATION**

13 **I. INTRODUCTION**

14 This is the disclosure statement (the "**Disclosure Statement**") in the chapter 11 bankruptcy
15 case of Byron Stephens Kilpatrick (the "**Debtor**") and is submitted along with the Debtor's proposed
16 Plan of Reorganization (the "**Plan**") filed by the Debtor on July 13, 2016 and contains information
17 about the Debtor and describes the Plan. A full copy of the Plan is attached to this Disclosure
18 Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure*
19 *Statement carefully and discuss them with your attorney. If you do not have an attorney, you may*
20 *wish to consult one.*

21 The proposed distributions under the Plan are discussed at pages 4-6 of this Disclosure
22 Statement. General unsecured creditors are classified in Class 5 and will receive a distribution of
23 100% of their allowed claims, to be distributed on the Effective Date of the Plan.

24 **A. Purpose of this Document**

25 This Disclosure Statement describes: (1) the Debtor and significant events during the
26 bankruptcy case, (2) how the Plan proposes to treat claims or equity interests of the type you hold, (3)
27
28

1 who can vote on or object to the Plan, (4) what factors the Bankruptcy Court (the “Court”) will
2 consider when deciding whether to confirm the Plan, (5) why the Debtor believes the Plan is feasible,
3 and how the treatment of claims and equity interests under the Plan compares to what holders of such
4 claims and interest would receive in liquidation, and (6) the effect of confirmation of the Plan.

5 Recipients of this Disclosure Statement should read the Plan as well as the Disclosure
6 Statement. The Disclosure Statement describes the Plan in plain terms, but the Plan will establish
7 rights.

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

9 The Court has not yet confirmed the Plan described in this Disclosure Statement. This section
10 describes the procedures pursuant to which the Plan will or will not be confirmed.

11 *1. Time and Place of the Hearing to Finally Approve this Disclosure Statement and
Confirm the Plan*

12 The hearing at which the Court will determine whether to finally approve this Disclosure
13 Statement and confirm the Plan will take place on January 25, 2017, at 9:30 a.m. in Courtroom 2,
14 Third Floor at the United States Bankruptcy Court, 300 South Las Vegas Boulevard, Las Vegas,
15 Nevada 89101, Judge: Hon. Mike K. Nakagawa.

16 *2. Deadline for voting to Accept or Reject the Plan*

17 If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the
18 ballot in the enclosed envelope to Kent P. Woods, Woods Erickson & Whitaker LLP, 1349 Galleria
19 Drive, Suite 200, Henderson, Nevada 89014. See section IV.A. Below for a discussion of voting
20 eligibility requirements.

21 Your ballot must be received by December 31, 2016, or it will not be counted.

22 *3. Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

23 Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the
24 Court and served upon parties in interest by January 11, 2017.

25 *4. Identity of Person to Contact for More Information*

26 If you want additional information about the Plan, you should contact Kent P. Woods, counsel
27 for the Debtor, at (702) 433-9696 or by email at kwoods@woodserickson.com.

28 **C. Disclaimer**

The Court has conditionally approved this Disclosure Statement as containing adequate

1 *information to enable parties affected by the Plan to make an informed judgment about its terms.*
2 *The Court has not yet determined whether the Plan meets the legal requirements for confirmation,*
3 *and the fact that the Court has approved this Disclosure Statement does not constitute an*
4 *endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's*
5 *approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of*
6 *the Plan. Objections to the adequacy of the Disclosure Statement may be filed until January 11,*
7 *2017.*

8 **II. BACKGROUND**

9 **A. Description and History of the Debtor**

10 The Debtor is an individual and a physician. He has worked as a physician for more than thirty
11 years in various capacities. He is currently employed as a physician by Davita Healthcare and
12 provides practice management services in that capacity. Additionally, the Debtor's spouse, Myriam L.
13 Kilpatrick, is the owner of a business called MK Billing Service, which provides medical billing
14 services to physicians located in Las Vegas, Nevada and surrounding areas. Myriam Kilpatrick's
15 interest in this business is community property.

16 **B. Insiders of the Debtor**

17 Myriam L. Kilpatrick, the Debtor's spouse, is an insider of the Debtor. The Debtor and Mrs
18 Kilpatrick share household expenses, and Mrs. Kilpatrick has paid various expenses of bankruptcy
19 administration. During the bankruptcy case, the Debtor has paid to Mrs. Kilpatrick approximately
20 \$6,500 per month as an estimate of the Debtor's proportional share of household expenses.

21 **C. Management of the Debtor's Property Before and During the Bankruptcy**

22 During the years before the bankruptcy petition was filed, the Debtor managed his own
23 property. He has not been subject to the administration or oversight of a trustee or guardian. After
24 filing of the bankruptcy petition, the Debtor continued to manage his own property as a debtor in
25 possession pursuant to Section 1108 of the Bankruptcy Code, subject to the oversight of the
26 Bankruptcy Court.

27 **D. Events Leading to Chapter 11 Filing**

28 The Debtor filed the bankruptcy petition in order to prevent the waste of his property through
collection actions by the Internal Revenue Service. In the months leading up to the date of the petition,
the Debtor had paid to the Internal Revenue Service the amount of \$20,000 per month and liquidated

1 various assets in order to pay substantial tax liabilities. Notwithstanding these efforts to pay debts, the
2 Internal Revenue Service indicated an intent to levy on the Debtor's real property on or around the date
3 of the petition. Because efforts to resolve the Internal Revenue Service's collection efforts were
4 unsuccessful, the Debtor filed a petition for bankruptcy protection, thereby initiating the bankruptcy
5 case.

6 **E. Significant Events During the Bankruptcy Case**

7 During the Bankruptcy Case, the Debtor has undertaken efforts to simplify his financial
8 position, clarify the status of his tax debts, and reduce expenditures. To that end, shortly after the date
9 of the petition, the Debtor filed his schedules and requested that the Court approve Woods Erickson &
10 Whitaker LLP as counsel for the estate. The Court approved retention of the Debtor's attorneys in
11 June of 2016.

12 Prior to the date of the Bankruptcy Petition, the Debtor had contracted with Mr. Jason Bay for
13 the sale of the Debtor's vacation residence located at 116 Elkhorn Avenue in Sun Valley, Idaho. The
14 Debtor believed that selling this property at the contract price was in the best interest of his creditors
15 and the estate. With that in mind, in May and June of 2016, the Debtor undertook efforts to complete
16 the sale of the property. To that end, the Court in June of 2016 approved retention of Sun Valley
17 Sotheby's as realtor to the estate and approved a sale of the Property to occur on or about June 15,
18 2016. The sale of the property actually closed on or about July 7, 2016 due to circumstances beyond
19 the Debtor's control. The sale of the Property reduced the Debtor's claims to the Internal Revenue
20 Service and paid in full the claims of the mortgage holder on the property, Bank of America.
21 Additionally, the sale has reduced monthly expenditures by the Debtor.

22 Since that time, the Debtor, through counsel, has negotiated with the Internal Revenue Service
23 with respect to the terms for repayment set forth in the Plan and has cultivated sufficient assets to
24 permit the payment of claims as set forth in the Plan.

25 **F. Projected Recovery of Avoidable Transfers**

26 The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance
27 actions.

28 **G. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the
Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting

1 purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The
2 procedures for resolving disputed claims are set forth in Article V of the Plan.

3 **H. Current and Historical Financial Conditions**

4 The identity and fair market value of the estate's assets are listed in the Debtor's assets as of the
5 date of the bankruptcy case are set forth in the Debtor's bankruptcy schedules A and B, which are
6 attached to this Disclosure Statement as Exhibit B. The Debtor does not routinely prepare financial
7 statements. The most recent post-petition operating report filed since the commencement of the
8 Debtor's bankruptcy case is set forth in Exhibit C.

9 **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF 10 CLAIMS AND EQUITY INTERESTS**

11 **A. What is the Purpose of the Plan of Reorganization?**

12 As required by the Code, the Plan places claims and equity interests in various classes and
13 describes the treatment each class will receive. The Plan also states whether each class of claims or
14 equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to
15 the amount provided in the Plan.

16 **B. Unclassified Claims**

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

21 *1. Administrative Expenses*

22 Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case
23 which are not allowed under Section 507(a)(2) of the Code. The Code requires that all administrative
24 expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different
25 treatment.

26 The Plan provides that accrued and unpaid administrative expenses shall be paid on the
27 effective date of the Plan, unless otherwise agreed to between the holder of such allowed
28 administrative expense claim and the Debtor.

1 2. *Priority Tax Claims*

2 The claims of certain allowed unsecured claims of governmental units together with pre-
3 petition interest and certain penalties on such claims are not classified claims but are nonetheless
4 entitled to priority treatment pursuant to Section 507(a)(8) of the Code. The Code requires that all
5 priority tax claims be paid within five (5) years from the Petition Date unless otherwise agreed to by
6 the holder of such claim.

7 The Plan provides that Priority Tax Claims held by the Internal Revenue Service will be paid
8 coextensively with the other claims held by the Internal Revenue Service, as follows: the Debtor will
9 pay \$20,000 per month until such claims are paid in full, but in any event before March 15, 2021.
10 Additionally, within three (3) years of the Effective Date, the Debtor will refinance or sell his
11 residence located in Santa Monica, California and apply the proceeds to the claim of the Internal
12 Revenue Service.

13 Priority Tax Claims held by entities other than the Internal Revenue Service shall be paid on
14 the Effective Date of the Plan, or as otherwise agreed to by the Debtor and the holder of such claim.

15 3. *Administrative Tax Claims*

16 Post-petition tax obligations of the estate are considered administrative expenses. The Plan
17 provides that accrued, unpaid administrative tax claims shall be paid by the Debtor when due within
18 the ordinary course of collection and reporting, pursuant to applicable statutory due dates.

19 4. *United States Trustee Fees*

20 The Plan provides that fees payable to the United States Trustee will accrue and be timely paid
21 until the case is closed, dismissed, or converted to another chapter of the Code. Any unpaid U.S.
22 Trustee Fees will be paid on the effective date of the Plan.

23 **C. Classes of Claims and Equity Interests**

24 The following are the classes set forth in the Plan, and the proposed treatment that they will
25 receive under the Plan:

26 1. *Classes of Secured Claims*

27 Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or
28 that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value
of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed
claim, the deficiency will be classified as a general unsecured claim. As of this time, it is not

1 anticipated that the Debtor has any undersecured secured creditors.

2 The classes set forth in the Plan that contain secured claims are Class 2 – IRS Secured Claim
3 and Class 3 – Miscellaneous Secured Claims. The Plan provides that holder of Class 2 – IRS Secured
4 Claim will be paid in the same manner set forth above with respect to payment of claims held by the
5 IRS. Other secured claims will be paid in full on the Effective Date of the Plan to the extent not
6 previously satisfied during the administration of the Debtor’s bankruptcy estate.

7 *2. Classes of Priority Unsecured Claims*

8 Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are
9 required to be placed into classes. The Code requires that each holder of such a claim receive cash on
10 the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders
11 of such claims may vote to accept different treatment.

12 The classes set forth in the Plan that contain Priority Unsecured Claims are Class 1. The Plan
13 provides that such claims will be paid in full on the effective date of the Plan.

14 *3. Classes of Unsecured Claims*

15 Unsecured claims are not secured by property of the estate and are not entitled to priority under
16 §§ 507(a) of the Code.

17 The classes set forth in the Plan that contain unsecured claims are Class 4 – IRS Unsecured
18 Claims and Class 5 – Miscellaneous Unsecured Claims. The Plan provides that Class 4 claims are paid
19 in the same manner as Priority Tax Claims are paid. Class 5 claims are paid in full as of the Effective
20 Date of the Plan unless otherwise satisfied during the administration of the Debtor’s bankruptcy case.

21 *4. Class of Debtor’s Interest*

22 Equity interest holders are parties who hold an ownership interest in the Debtor. Because the
23 Debtor in this case is an individual, the Debtor is the equity interest holder.

24 **D. Means of Implementing the Plan**

25 *1. Source of Payments*

26 Payments and distributions under the Plan will be funded by the Debtor’s wages and by the
27 proceeds of the operation of the Debtor’s spouse’s business by the Debtor’s spouse. At monthly
28 intervals, the Debtor will deposit into the trust account of the Debtor’s attorney funds sufficient to
make distributions when scheduled or otherwise required by statute.

1 2. *Post-confirmation Management*

2 The Plan provides that on the effective date of the Plan, the property of the estate will re-vest in
3 the Debtor, and the estate will terminate for reporting purposes. Other than compliance with the
4 repayment terms set forth in the Plan, the Debtor shall be permitted to retain his property and use it for
5 his own purposes.

6 3. *Provisions for Payment of IRS Claims*

7 The Plan provides that the amount of the IRS's claims shall be reduced by the amount received
8 by the IRS from the proceeds of the sale of the Debtor's real property located in Blaine County, Idaho,
9 on or about July 7, 2016. On the first day of each calendar month following the effective date of the
10 Plan, the Debtor will deposit into the IOLTA trust account for the Debtor's attorney the amount of
11 Twenty Thousand Dollars (\$20,000.00). The Debtor's attorney will distribute these funds on a
12 monthly basis to the holders of allowed claims at an address to be provided by the holder of such
13 claim.

14 Following the effective date of the Plan, the Debtor will undertake his best efforts to obtain a
15 loan on commercially reasonable terms to be secured by the Debtor's residence at 1033 Ocean Avenue
16 in Santa Monica, California in an amount sufficient to pay unpaid, allowed claims by the IRS. To the
17 extent that the Debtor is unable to obtain a loan against the Ocean Avenue Property in an amount
18 sufficient to satisfy the remaining unpaid claims in full by nine hundred twelve (912) days
19 (approximately two and one-half years) from the effective date of the Plan, the Debtor will list the
20 Ocean Avenue Property for sale with the intention of selling the Ocean Avenue Property within three
21 (3) calendar years of the effective date of the Plan. Proceeds from the sale of the Ocean Avenue
22 Property, net of sales commissions or other expenses of sale, will be paid to holders of unpaid, allowed
23 claims in total or partial satisfaction of such claims.

24 4. *Provisions to Protect Against Noncompliance*

25 The Plan provides for various events of default under the Plan that may be enforced by the IRS,
26 including failure by the Debtor to make any payment when due and failure to abide by statutory
27 reporting or compliance deadlines. In the event of an uncured event of default, the automatic stay will
28 terminate, and the IRS will be permitted to foreclose against the Ocean Avenue property without
objection by the Debtor.

E. Risk Factors

The Plan has the following risks:

- The Debtor or the Debtor's spouse could suffer disability that would limit their respective abilities to generate income sufficient to make payments required by the Plan. This risk is mitigated by the fact that the Debtor proposes to pay all claims other than claims to the Internal Revenue Service in full on the effective date of the Plan, and the Internal Revenue Service is adequately protected through its interest in the Ocean Avenue Property and the default provisions set forth in the Plan and addressed in Section III.D.4 of this Disclosure Statement above.
- The market for the Ocean Avenue Property could decline such that it will be impossible to obtain a loan or sell the Property at a value that will permit the timely satisfaction of the IRS claims. This risk is mitigated by the fact that the IRS will nonetheless receive the proceeds of the sale, and the Debtor will satisfy by the claims by the applicable statutory deadline.

F. Executory Contracts and Unexpired Leases

The Plan provides that the Debtor will assume any executory contracts and unexpired leases to which he was a party as of the Petition Date. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. The Debtor does not anticipate that any cure will be necessary.

G. Tax Consequences of the Plan

Creditors Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, and/or Advisors

The Debtor anticipates that the tax consequences of the Plan will be minimal. Because the Debtor proposes to pay all claims in full, there is no discharge of liability that could result in negative tax impact. Any creditors who had previously taken a "bad debt" deduction will be required to report payments as income.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired

1 class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to
2 each creditor and equity interest holder at least as much as the creditor or equity interest holder would
3 receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the
4 Plan; and the Plan must be feasible. These requirements are not the only requirements listed in §§
5 1129, and they are not the only requirements for confirmation.

6 **A. Who May Vote or Object**

7 Any party in interest may object to the confirmation of the Plan if the party believes that the
8 requirements for confirmation are not met.

9 Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A
10 creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity
11 interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and
12 (2) impaired.

13 In this case, the Debtor believes that classes 2, 4, and 6 are impaired and that holders of claims
14 in each of these classes are therefore entitled to vote to accept or reject the Plan. Because the Debtor is
15 the proponent of the Plan, he, as the holder of a claim in Class 6, is presumed to accept the Plan and no
16 vote is required. The Debtor believes that classes 1, 3, and 5 are unimpaired and that holders of claims
17 in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

18 *1. What Is an Allowed Claim or an Allowed Equity Interest?*

19 Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has
20 the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor
21 has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed,
22 contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an
23 objection has been filed to such proof of claim or equity interest. When a claim or equity interest is
24 not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote
25 unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity
26 interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

27 *2. What Is an Impaired Claim or Impaired Equity Interest?*

28 As noted above, the holder of an allowed claim or equity interest has the right to vote only if it
is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered
impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

1 3. *Who is Not Entitled to Vote*

2 The holders of the following types of claims and equity interests are *not* entitled to vote:

- 3 • Holders of claims and equity interests that have been disallowed by an order of the
4 Court;
- 5 • Holders of other claims or equity interests that are not “allowed claims” or “allowed
6 equity interests” (as discussed above), unless they have been “allowed” for voting
7 purposes.
- 8 • Holders of claims of equity interests in unimpaired classes;
- 9 • Holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the
10 Code; and
- 11 • Holders of claims or equity interests in classes that do not receive or retain any value
12 under the Plan;
- 13 • Administrative expense

14 *Even if you are not entitled to vote on the Plan, you have a right to object to confirmation of the
15 Plan and to the Adequacy of the Disclosure Statement*

16 A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured
17 claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each
18 capacity, and should cast one ballot for each claim.

19 **B. Votes Necessary to Confirm the Plan**

20 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired
21 class of creditors has accepted the Plan without counting the votes of any insiders within that class, and
22 (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by
23 “cram down” on non-accepting classes, as discussed later.

24 1. *Votes Necessary for a Class to Accept the Plan*

25 A class of claims accepts the Plan if both of the following occur: (1) the holders of more than
26 one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2)
27 the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote,
28 cast their votes to accept the Plan.

 A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount
of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

1 2. *Treatment of Nonaccepting Classes*

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

9 *You should consult your own attorney if a “cramdown” confirmation will affect your claim or
10 equity interest, as the variations on this general rule are numerous and complex.*

11 **C. Liquidation Analysis**

12 To confirm the Plan, the Court must find that all creditors and equity interest holders who do
13 not accept the Plan will receive at least as much under the Plan as such claim and equity interest
14 holders would receive in a chapter 7 liquidation. In this case, the Debtor has proposed to pay all
15 claims in full; hence, this requirement is satisfied and no liquidation analysis is necessary.

16 **D. Feasibility**

17 The Court must find that confirmation of the Plan is not likely to be followed by the
18 liquidation, or the need for further reorganization, of the Debtor or any successor to the Debtor, unless
19 such liquidation or reorganization is proposed in the Plan.

20 1. *Ability to Initially Fund Plan*

21 The Plan Proponent believes that the Debtor will have enough cash on hand on the effective
22 date of the Plan to pay all the claims and expenses that are to be paid on that date. As of the most
23 recently filed monthly operating report, the Debtor had \$15,385.00 on hand, which is an amount
24 sufficient to pay amounts due on the effective date of the Plan.

25 2. *Ability to Make Future Plan Payments and Operate Without Further Reorganization*

26 The Plan Proponent must also show that it will have enough cash over the life of the Plan to
27 make the required Plan payments.

28 As set forth in the Debtor’s Schedule I, previously filed with the Court, the Debtor and his wife
produce approximately \$66,276.00 in take-home pay each month, which is sufficient to fund payments
under the Plan. During the bankruptcy proceeding, the Debtor has eliminated secured debt other than

1 debt to be administered under the Plan and has otherwise reduced his operating expenses and has
2 increased his salary. Accordingly, the Debtor believes he has the ability to make the plan payments set
3 forth in the Plan.

4 **V. EFFECT OF CONFIRMATION OF PLAN**

5 **A. Discharge of Debtor**

6 Confirmation of the Plan does not discharge any debt provided for in the Plan until the court
7 grants a discharge on completion of all payments under the Plan, or as otherwise provided in §
8 1141(d)(5) of the Code. The Debtor will not be discharged from any debt excepted from discharge
9 under § 523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy
10 Procedure.

11 **B. Modification of Plan**

12 The Plan Proponent may modify the Plan at any time before confirmation of the Plan.
13 However, the Court may require a new disclosure statement and/or revoting on the Plan.

14 Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured
15 claim, the Plan may be modified at any time after confirmation of the Plan but before the completion
16 of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims
17 of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of
18 distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take
19 account of any payment of the claim made other than under the Plan.

20 **C. Final Decree**

21 Once the estate has been fully administered, as provided in rule 3022 of the Federal Rules of
22 Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan
23 Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case.
24 Alternatively, the Court may enter such a final decree on its own motion.

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BYRON STEPHENS KILPATRICK
27 Debtor and Debtor-in-Possession, Plan Proponent
28

/s/ Kent P. Woods

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kwoods@woodserickson.com

Attorney for Debtor and Debtor-in-Possession

Byron Stephens Kilpatrick

RULE 9021 CERTIFICATE

In accordance with Local Rule 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

The Court has waived the requirements set forth in LR 9021(b)(1).

No party appeared at the hearing or filed an objection to the motion.

I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

I certify that this is a case under Chapter 7 or 13, that I have served a copy of this Order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

WOODS ERICKSON & WHITAKER LLP

/s/ Kent P. Woods

Kent P. Woods, Esq. (Bar No. 12306)

1349 Galleria Drive, Suite 200

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