

Electronically Filed November 14, 2016

McDONALD CARANO WILSON LLP
Ryan J. Works, Esq. (NV Bar No. 9224)
Amanda M. Perach, Esq. (NV Bar No. 12399)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
Telephone Number: (702) 873-4100
Facsimile Number: (702) 873-9966
rworks@mcdonaldcarano.com
aperach@mcdonaldcarano.com
Counsel for Linden & Associates

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

LINDEN & ASSOCIATES, P.C.,

Debtor in Possession.

Case No.: 16-12697-mkn
Chapter 11

CHAPTER 11 DISCLOSURE STATEMENT

**Hearing Date: January 11, 2017
Hearing Time: 9:30 a.m. Pacific Time**

**Hearing Place: Foley Federal Building, Third
Floor, Courtroom 2, 300 Las Vegas Blvd.
South, Las Vegas, Nevada 89101**

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN OF REORGANIZATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS PROPOSED DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE UNLESS AND UNTIL A DETERMINATION HAS BEEN MADE BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE.

[Legend to be removed upon entry of Disclosure Statement Order]

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 PURSUANT TO BANKRUPTCY CODE SECTION 1128, A CONFIRMATION
2 HEARING WILL BE HELD WITH RESPECT TO THE DEBTOR’S CHAPTER 11
3 PLAN OF REORGANIZATION ON _____, 201____, AT _____ P.M.
4 (PREVAILING PACIFIC TIME) BEFORE THE HONORABLE JUDGE NAKAGAWA,
5 IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF
6 NEVADA, COURTROOM 2, LOCATED ON THE THIRD FLOOR, 300 LAS VEGAS
7 BOULEVARD SOUTH, LAS VEGAS, NEVADA 89101 (THE “CONFIRMATION
8 HEARING”). OBJECTIONS, IF ANY, TO CONFIRMATION OF THE PLAN MUST
9 BE FILED AND SERVED ON OR BEFORE _____, 201____. THE
10 CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME
11 WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT MADE AT
12 THE CONFIRMATION HEARING OR AT ANY SUBSEQUENT ADJOURNED DATE
13 OF THE CONFIRMATION HEARING.

14 THIS DISCLOSURE STATEMENT (THE “DISCLOSURE STATEMENT”) IS
15 BEING DISTRIBUTED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF
16 THE PLAN FROM THE PARTIES ENTITLED TO VOTE ON THE PLAN. THE
17 DEBTOR INTENDS TO SEEK TO CONFIRM THE PLAN AND TO CAUSE THE
18 EFFECTIVE DATE OF THE PLAN TO OCCUR AS PROMPTLY AFTER
19 CONFIRMATION OF THE PLAN AS POSSIBLE, HOWEVER THERE CAN BE NO
20 ASSURANCE AS TO WHETHER OR WHEN THE CONFIRMATION OR THE
21 EFFECTIVE DATE OF THE PLAN ACTUALLY WILL OCCUR.

22 THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE
23 WITH BANKRUPTCY CODE SECTION 1125 AND BANKRUPTCY RULE 3016(b) AND
24 NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES
25 LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT
26 HAS NOT BEEN REVIEWED NOR APPROVED BY THE U.S. SECURITIES AND
27 EXCHANGE COMMISSION (THE “SEC”) OR THE INTERNAL REVENUE SERVICE
28 (THE “IRS”), NOR HAS THE SEC OR THE IRS PASSED UPON THE ACCURACY OR
ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THE INFORMATION
IN THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
PURPOSE OTHER THAN TO PROVIDE CERTAIN INFORMATION OF POTENTIAL
RELEVANCE IN DETERMINING HOW TO VOTE ON THE PLAN. NO
SOLICITATION OF VOTES TO ACCEPT THE PLAN MAY BE MADE EXCEPT
PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

A COPY OF THE PLAN IS ATTACHED AS EXHIBIT 1 HERETO. ALL
HOLDERS OF CLAIMS AGAINST THE DEBTOR THAT ARE ENTITLED TO VOTE
ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE
STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO
ACCEPT OR REJECT THE PLAN. UNLESS OTHERWISE SPECIFIED HEREIN, THE
STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE
ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT
THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT WILL BE
CORRECT AT ANY LATER DATE. IN THE EVENT OF ANY CONFLICT BETWEEN
THE TERMS OF THIS DISCLOSURE STATEMENT AND THE TERMS OF THE
PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER
2 ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL
3 NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR
4 LIABILITY, OR AS A STIPULATION OR WAIVER, BUT RATHER AS A
5 STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE
6 STATEMENT WILL NOT BE ADMISSIBLE IN ANY BANKRUPTCY OR
7 NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER
8 PARTY (OTHER THAN IN CONNECTION WITH APPROVAL OF THIS
9 DISCLOSURE STATEMENT OR CONFIRMATION OF THE PLAN), NOR WILL IT
10 BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR
11 OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST,
12 OR EQUITY INTERESTS IN, THE DEBTOR. YOU ARE ADVISED TO OBTAIN
13 INDEPENDENT EXPERT ADVICE ON SUCH SUBJECTS.

14 SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES
15 LITIGATION REFORM ACT OF 1995: ALL FORWARD-LOOKING STATEMENTS
16 CONTAINED HEREIN OR OTHERWISE MADE BY THE DEBTOR INVOLVE
17 MATERIAL RISKS AND UNCERTAINTIES AND ARE SUBJECT TO CHANGE
18 BASED ON NUMEROUS FACTORS, INCLUDING FACTORS THAT ARE BEYOND
19 THE DEBTOR'S CONTROL. ACCORDINGLY, THE DEBTOR'S FUTURE
20 PERFORMANCE AND FINANCIAL RESULTS MAY DIFFER MATERIALLY FROM
21 THOSE EXPRESSED OR IMPLIED IN ANY SUCH FORWARD-LOOKING
22 STATEMENTS. SUCH FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE
23 DESCRIBED IN THIS DISCLOSURE STATEMENT. THE DEBTOR DOES NOT
24 UNDERTAKE TO PUBLICLY UPDATE OR REVISE FORWARD-LOOKING
25 STATEMENTS EVEN IF EXPERIENCE OR FUTURE CHANGES MAKE IT CLEAR
26 THAT ANY PROJECTED RESULTS EXPRESSED OR IMPLIED THEREIN WILL
27 NOT BE REALIZED.

28 THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS,
SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN
EVENTS IN THE DEBTOR'S CHAPTER 11 CASE AND CERTAIN DOCUMENTS
RELATED TO THE PLAN THAT ARE ATTACHED HERETO OR HAVE BEEN OR
WILL BE SEPARATELY FILED WITH THE BANKRUPTCY COURT. ALTHOUGH
THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE,
THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT
THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH
DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH
EVENTS. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY OR
DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT
AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER SUCH
DOCUMENTS, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN AND
CONTROL FOR ALL PURPOSES, EXCEPT WHERE OTHERWISE SPECIFICALLY
NOTED. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE
STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT.
SUBJECT TO THE TERMS OF ANY DEFINITIVE DOCUMENTATION TO BE
EXECUTED IN CONNECTION WITH THE PLAN, THE DEBTOR DOES NOT
REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR
2 OMISSION.

3 EXCEPT AS OTHERWISE SPECIFICALLY NOTED, THE FINANCIAL
4 INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED
5 PUBLIC ACCOUNTANT AND HAS NOT NECESSARILY BEEN PREPARED IN
6 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
7 THE FINANCIAL INFORMATION CONTAINED HEREIN HAS BEEN PRODUCED
8 BASED UPON THE DEBTOR'S BOOKS AND RECORDS AS THEY ARE
9 MAINTAINED IN THE ORDINARY COURSE OF BUSINESS AND IN ACCORDANCE
10 WITH THE DEBTOR'S ORDINARY AND CUSTOMARY ACCOUNTING
11 PRACTICES.

12 IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS
13 CIRCULAR 230, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE HEREBY
14 NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED
15 OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR
16 WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR
17 INTERESTS FOR PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED
18 ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS
19 WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE
20 DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C)
21 HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED
22 ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX
23 ADVISOR.
24
25
26
27
28

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1. INTRODUCTION 1

 1.1 Purpose of the Disclosure Statement 1

 1.2 Acceptance and Confirmation 2

 1.3 Confirmation Without Acceptance By All Impaired Classes 2

 1.4 Disclaimer 3

 1.5 Summary of Classification and Treatment of Claims and Old Equity Interests Under the Plan. 3

 1.6 Hearings on Confirmation and Objections 5

2. HISTORY OF THE DEBTOR AND EVENTS LEADING TO THE FILING OF THE CHAPTER 11 CASE 6

 2.1 Description of the Business 6

 2.2 Events Leading to the Chapter 11 Filing 6

 2.3 The Chapter 11 Filing 6

3. SIGNIFICANT DEVELOPMENTS DURING THE COURSE OF THE CHAPTER 11 CASE 6

 3.1 Ongoing Business 6

 3.2 Emergency Motions and Related Relief 6

 3.3 Initial Debtor Interview and Meeting of Creditors 7

 3.4 Schedules and Statement of Affairs 7

 3.5 Monthly Operating Reports and Tax Filings 8

 3.6 Use of Cash Collateral and Adequate Protection 8

 3.7 Employment and Payment of Professionals 8

4. DESCRIPTION OF PENDING AND COMPLETED LITIGATION 9

 4.1 Pending Litigation 9

 4.2 Post-Petition Litigation 9

5. DESCRIPTION OF DEBTOR’S ASSETS AND LIABILITIES 9

 5.1 Debtor’s Assets 9

 (A) Real Property 9

McDONALD • CARANO • WILSON LLP
 2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
 PHONE (702)873-4100 • FAX (702) 873-9966

McDONALD • CARANO • WILSON LLP
 2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
 PHONE (702)873-4100 • FAX (702) 873-9966

1	(B)Personal Property	9
2	5.2Debtor’s Liabilities	10
3	(A).....Administrative Claims	10
4	(B)Priority Tax Claims.....	10
5	(C)Priority Claims	11
6	(D).....Secured Claims	11
7	(E)Unsecured Claims	11
8	(F)Claims Bar Dates	11
9	6. OVERVIEW OF THE PLAN	11
10	6.1Unclassified Claims	11
11	(A).....Administrative Claims	11
12	(B)Professional Fee Claims.....	11
13	(C)United States Trustee Fees.....	12
14	(D).....Priority Tax Claims	12
15	6.2Classified Claims, Estimates By Class and Proposed Treatment.	13
16	(A).....Class 1: Priority Claims	13
17	(B)Class 2: Secured Claims	13
18	(C)Class 3: General Unsecured Claims.....	13
19	(D).....Class 4: Equity Interest Holders	14
20	6.3Executory Contracts and Unexpired Leases	14
21	6.4Objections to Claims.....	14
22	6.5Vesting of Assets	14
23	6.6Discharge	15
24	6.7Injunctions	15
25	6.8Exculpation	16
26	6.9Releases	17
27		
28		

McDONALD • CARANO • WILSON LLP
 2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
 PHONE (702)873-4100 • FAX (702) 873-9966

1	7.	POST-CONFIRMATION OWNERSHIP, MANAGEMENT AND COMPENSATION	17
2		7.1Post-Confirmation Management and Compensation of Key Employees	17
3	8.	MEANS OF IMPLEMENTATION OF THE PLAN.....	18
4		8.1Continued Operation of the Debtor.....	18
5		8.2Assumption of Leases.....	18
6		8.3Return of Property.....	18
7		8.4 Termination of Plan Administrator.....	18
8	9.	CERTAIN TAX CONSEQUENCES OF THE PLAN.....	18
9	10.	INSIDER AND AFFILIATE CLAIMS	18
10	11.	RISK FACTORS	19
11		11.1Purpose of the Disclosure Statement	19
12		(A).....The Debot Has No Duty to Update.....	19
13		(B).....Information Presented as Based on the Debotr’s Books and Records, and Is Unaudited	19
14		(C).....Projections and Other Forward-Looking Statements Are Not Assured, and Actual	
15		Results Will Vary	19
16		(D).....This Disclosure Statement Was Not Approved By The SEC	19
17		(E)Certain Tax Implications of the Plan	20
18		11.2Certain Bankruptcy Considerations	20
19		(A).....Risk of Non-Confirmation of The Plan	20
20		(B).....Risk of Non-Occurance of Effective Date	20
21		(C).....Risk That Claims Will be Higher Than Estimated	21
22		(D).....The Debotr’s Management Team May Allocate Less Time To the Operation of The	
23		Debtor’s Business Operations	21
24		(E)Estimated Valuation and the Estimated Recoveries To Holders of Allowed Claims Are	
25		Not Intended to Represent the Potential Market Value (if any) of the Plan Consideration	21
26		(F)Not Representations Outside of This Disclosure Statement Are Authorized	21
27		(G).....Release and Exculpation of Liability Arising Out of Administration of Plan	22
28			

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1	12.	LIQUIDATION ANALYSIS AND ALTERNATIVES TO THE PLAN	22
2		12.1Alternatives to the Plan.....	22
3	13.	CONCLUSION AND RECOMENDATION.....	22
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

Exhibit List

[To Be Inserted Prior to Disclosure Statement Hearing Date]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 **1. INTRODUCTION**

2 This Disclosure Statement is being filed by the above captioned Debtor and Debtor in
 3 Possession – LINDEN & ASSOCIATES, P.C., an Oklahoma corporation (the “Debtor”,
 4 “Debtor-in-Possession” or “Proponent”). This Disclosure Statement has been prepared and filed
 5 in accordance with title section 1125 of Title 11 of the United States Code (the “Bankruptcy
 6 Code”) and Rules 3016 and 3017 of the Federal Rules of Bankruptcy Procedure (the
 7 “Bankruptcy Rules”). This Disclosure Statement is being provided to creditors by the Debtor,
 8 Debtor-in-Possession and Proponent, in connection with the solicitation of acceptances of the
 9 Debtor’s Plan of Reorganization (the “Plan”) attached hereto as **Exhibit 1**, including any
 10 subsequent amendments to the Plan. The Plan is being filed pursuant to Rule 3016 of the Local
 11 Rules of Bankruptcy Practice for the U.S. Bankruptcy Court, District of Nevada (“LR”). Upon
 12 approval of the Disclosure Statement, and entry of an order by the U.S. Bankruptcy Court,
 13 District of Nevada (“Bankruptcy Court”), Debtor will solicit its creditors for acceptances of the
 14 Plan pursuant thereto. The Debtor’s reorganization case is proceeding under Chapter 11 of Title
 15 11 of the United States Code (the “Bankruptcy Code”), and was initiated by voluntary petition on
 16 May 17, 2016 (the “Petition Date”), in the United States Bankruptcy Court for the District of
 17 Nevada, as Case No. 16-12697-mkn.

18 Capitalized terms used herein shall have the meanings ascribed to such terms in Section 1
 19 of the Plan. The Debtor is a proponent of the Plan within the meaning of 11 U.S.C. § 1129.

20 Subject to certain restrictions and requirements set forth in Bankruptcy Code, Section
 21 1127, and Bankruptcy Rule 3019, and those restrictions on modifications set forth in the Plan,
 22 the Debtor expressly reserves its respective rights to alter, amend, modify, revoke or withdraw
 23 the Plan, one or more times, prior to the Plan’s substantial consummation as defined under the
 24 Bankruptcy Code.

25 Under Bankruptcy Code Section 1125(b), a vote to accept or reject the Plan cannot be
 26 solicited from Claimholders or Holders of Equity Interests until such time as the Disclosure
 27 Statement has been approved by the Bankruptcy Court and distributed to the Holders of such
 28 Claims and Interests. This Disclosure Statement is being distributed simultaneously with the
 Plan to all parties whose votes are being solicited. The Disclosure Statement contains, among
 other things, a discussion of the Debtor’s history, a summary and analysis of the Plan, and
 related matters that affect the treatment of the Claims and Interests of the Debtor.

**ALL CLAIMHOLDERS AND INTERESTHOLDERS ARE ENCOURAGED TO READ
 THE PLAN AND THIS DISCLOSURE STATEMENT AND RELATED SOLICITATION
 MATERIALS IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT
 THE PLAN.**

29 **1.1 Purpose of the Disclosure Statement**

30 The purpose of this Disclosure Statement is to ensure that claimants have adequate
 31 information to enable each class to make an informed judgment about the Plan. The assets and
 32 liabilities of the Debtor are summarized herein. To the extent the information contained in this
 33 Disclosure Statement may be inconsistent with the Debtor’s Statement and Schedules filed
 34

1 initially in the Bankruptcy Case, or subsequent amendments thereto, this Disclosure Statement
2 shall supersede such Statements and Schedules (as amended).

3 This Disclosure Statement describes the background and operating history of the Debtor
4 before filing of the case. It also summarizes certain significant events that have taken place
5 during the case and described the terms of the Plan, which divides creditor claims and the
6 interests of shareholders into classes and provides for the satisfaction of allowed claims and
7 interests.

8 The Bankruptcy Court will set a time and date as the last day to file acceptances or
9 rejections of the Plan. Thereafter, a hearing on confirmation of the Plan will be held in the
10 United States Bankruptcy Court for the District of Nevada, located at the U.S. Foley Federal
11 Building & Courthouse, 3rd Floor, Third Floor, Courtroom 2, 300 Las Vegas Boulevard South,
12 Las Vegas, Nevada 89101. Creditors may vote on the Plan by filling out and mailing a special
13 form of ballot. The form of ballot and special instructions for voting will be forthcoming.
14 Creditors are urged to carefully read the contents of this Disclosure Statement before making a
15 decision to accept or reject the Plan.

11 **1.2 Acceptance and Confirmation**

12 In order for the Debtor's Plan to be confirmed, each Impaired class of Claims or Interests
13 must accept the Plan, except as set forth below. In order for the Plan to be deemed accepted, a
14 majority in number and two-thirds in dollar amount of the claims of each class of creditors
15 impaired under the Plan of those that actually vote, must vote for acceptance of the Plan.
16 Holders of claims who fail to vote are not counted as either accepting or rejecting the Plan.

17 Classes of claims that are not Impaired under a Plan are deemed to have accepted the
18 Plan. Acceptances of the Plan are being solicited only from those persons who hold Allowed
19 Claims or Interests in Impaired classes. A class is Impaired if the legal, equitable, or contractual
20 rights attaching to the claims or interests of that class are modified, other than by curing defaults
21 and reinstating maturities, or by payment in full, in cash.

20 **1.3 Confirmation Without Acceptance By All Impaired Classes**

21 The Bankruptcy Code allows for confirmation of a Plan even if the Plan is not accepted
22 by all Impaired classes, as long as at least one Impaired class of claims has accepted the Plan.
23 These "cram-down" provisions for the confirmation of a Plan, despite non-acceptance of one or
24 more Impaired classes of claims or interest, are set forth in 11 U.S.C. § 1129(b).

25 If a class of unsecured claims rejects the Plan, it may still be confirmed so long as the
26 Plan provides that (i) each holder of a claim included in the rejecting class receives or retains on
27 account of that claim, property which has a value as of the Effective Date equal to the allowed
28 amount of such claim; or that (ii) the holder of any claim or interest that is junior to the claims of
such class will not receive or retain on account of such junior claim or interest any property at
all.

If a class of secured claims rejects the Plan, it may still be confirmed so long as the Plan
provides (i) the holders of such claims retain their lien(s) securing such claims; (ii) the holders of
such claims receive on account of such claims deferred cash payments totaling at least the

1 allowed amount of such claims, of a value, as of the Effective Date of the Plan, of at least the
 2 value of such claimant's interest in the estate's interest in such property; (iii) for the sale of the
 3 property in accordance with 11 U.S.C. § 1129(b)(2)(A)(ii); or (iv) for the realization by such
 claims of the indubitable equivalent of the claim.

4 **1.4 Disclaimer**

5 No representations concerning the Debtor are authorized by the Debtor except as set forth
 6 in this Disclosure Statement. Any representations or inducements made to secure your
 7 acceptance or rejection of the Plan other than as contained herein have not been authorized and
 8 should not be relied upon by you in making your decision, and such additional representations
 9 and inducements should be reported to counsel for the Debtor, who in turn should deliver such
 10 information to the Bankruptcy Court for such action as may be deemed appropriate. The
 11 information contained herein has not been subjected to a certified audit. The records kept by the
 Debtor and other information relied on herein are dependent upon investigations and accounting
 performed by the Debtor and others employed by the Debtor. The Debtor is unable to warrant
 that the information contained herein is without inaccuracy, although a great effort has been
 made to be accurate, and the Debtor believes that the information contained herein is, in fact,
 accurate.

12 **1.5 Summary of Classification and Treatment of Claims and Old Equity** 13 **Interests Under the Plan.**

14 The Plan proposes to divide Claims into three (3) separate classes. Administrative
 15 Claims and Priority Tax Claims (the "Unclassified Claims") are not classified pursuant to 11
 16 U.S.C. § 1123(a)(1) and the Holders of such Allowed Unclassified Claims will receive the full
 17 amount they are entitled to under the Bankruptcy Code and their legal and equitable rights are
 18 unaltered by the Plan. At present, other than Priority Tax Claims, the Debtor has no other
 Priority Claims. The Plan sets forth the following Classified Claims: Class 1: Priority Claims,
 Class 2: Secured Claims, Class 3: Unsecured Claims, and Class 4: Equity Claims.

19 The Plan calls for the Reorganized Debtor to pay all Allowed Unclassified Claims, Class
 20 1 Claims in full, Class 2 Claims as set forth in the Plan, and Class 3 Claims at 20% of their
 allowed amount. Class 4 Claims will remain unaltered.

21 The Plan provides for distributions on account of certain Allowed General Unsecured
 22 Claims. The Plan distributions will be in various amounts and will take various forms,
 23 depending on the classification and treatment of any particular Claim. The following tables
 24 summarize the classification and treatment of Claims and Equity Interests under the Plan. For a
 more detailed description of the classification and treatment of Claims and Equity Interests under
 the Plan, please see Sections 5 and 6 below.

25 **THE FOLLOWING CHART IS A SUMMARY OF THE CLASSIFICATION AND**
 26 **TREATMENT OF CLAIMS AND EQUITY INTERESTS AND THE POTENTIAL**
 27 **DISTRIBUTIONS UNDER THE PLAN. THE AMOUNTS SET FORTH BELOW ARE**
 28 **ESTIMATES ONLY. ANY ESTIMATES OF CLAIMS OR EQUITY INTERESTS IN**
THIS DISCLOSURE STATEMENT MAY VARY FROM THE FINAL AMOUNTS
ALLOWED BY THE BANKRUPTCY COURT. AS A RESULT OF THE FOREGOING

1 AND OTHER UNCERTAINTIES WHICH ARE INHERENT IN THE ESTIMATES, THE
 2 ESTIMATED RECOVERIES IN THIS DISCLOSURE STATEMENT MAY VARY
 3 FROM THE ACTUAL RECOVERIES RECEIVED. IN ADDITION, THE ABILITY TO
 4 RECEIVE DISTRIBUTIONS UNDER THE PLAN DEPENDS UPON THE ABILITY OF
 5 THE DEBTOR TO OBTAIN CONFIRMATION OF THE PLAN AND MEET THE
 6 CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN, AS
 7 DISCUSSED IN THIS DISCLOSURE STATEMENT. THE RECOVERIES SET FORTH
 8 BELOW ARE PROJECTED RECOVERIES ONLY AND MAY CHANGE BASED UPON
 9 CHANGES IN THE AMOUNT OF ALLOWED CLAIMS AS WELL AS OTHER
 10 FACTORS RELATED TO THE DEBTOR'S BUSINESS OPERATIONS AND GENERAL
 11 ECONOMIC CONDITIONS. REFERENCE SHOULD BE MADE TO THE ENTIRE
 12 DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF
 13 THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS AGAINST AND
 14 EQUITY INTERESTS IN THE DEBTOR.

15 **Summary of Classification and Treatment of Unclassified Claims,**
 16 **Classified Claims, and Equity Interests**

17 <u>Class</u>	18 <u>Claimholders</u>	19 <u>Treatment</u>	20 <u>Estimated Allowed Claims¹</u>	21 <u>Projected Recovery</u>
22 Unclassified Claims (Administrative)		Allowed Unclassified Claims Paid in Full on or before the Effective Date	\$ 4,295.73	100%
23 Unclassified Claims	Priority Tax Claims	Allowed Unclassified Claims Paid in Full on or before the Effective Date	\$ 179,967.21	100%
24 Class 1	Priority Claims	Unimpaired. Allowed Class 1 Claims Paid pursuant to Plan.	\$ 0.00	100%
25 Class 2	Secured Claims	Impaired. Allowed Class 2 Claims Paid in Full.	\$ 197,406.15	100%
26 Class 3	General Unsecured Claims	Impaired. Allowed Class 3 Claims Paid on or before the Effective Date.	\$ 113,528.07	20%
27 Class 4	Equity Interests	Unimpaired.	\$ 0.00	100%

28 ¹ These are estimates only. Unless specified otherwise, these amounts were compiled by combining the list of undisputed Claims listed in the Debtor's bankruptcy schedules and accounting for payments made or to be made during this Chapter 11 Case. Furthermore, these amounts were estimated based on information provided to the Debtor and its Professionals by certain Creditors as of the date of this Disclosure Statement. These amounts are subject to change and do not constitute an admission of their validity, priority or amount, and Debtor reserves all rights with respect to the defense and prosecution of any Claims in this Chapter 11 Case, including the specific right to contest Claims pursuant to the Plan.

1 **1.6 Hearings on Confirmation and Objections**

2 The Debtor intends to file an *Motion for Order Approving Disclosure Statement*; (2)
3 *Approving the Form of Ballots and Proposed Solicitation and Tabulation Procedures*; (3) *Fixing*
4 *the Voting Deadline With Respect to the Debtor’s Chapter 11 Plan of Reorganization*; (4)
5 *Prescribing the Form and Manner of Notice Thereof*; (5) *Setting the Objection and Reply*
6 *Deadlines to the Chapter 11 Plan of Reorganization*; (6) *Setting a Hearing Date on*
7 *Confirmation of Debtor’s Plan of Reorganization*; and (7) *Appointing McDonald Carano Wilson*
8 *LLP as Solicitation and Tabulation Agent to the Debtor* (the “DS Motion”).

9 The Debtor’s DS Motion contemplates the following schedule with respect to the
10 Disclosure Statement and Plan:

11 1. January 11, 2017 at 9:30 a.m. is the hearing date for the final approval of the
12 adequacy of the Debtor’s Disclosure Statement. This hearing may be continued from time to
13 time without further written notice. 11 U.S.C. § 1125 sets forth the requirements for a
14 Disclosure Statement.

15 2. December 28, 2016 as the deadline for Creditors to object to the adequacy of this
16 Disclosure Statement and to serve and file any supporting declarations.

17 3. January 4, 2017 as the deadline for Debtor to: (a) reply to any objections to the
18 adequacy of this Disclosure Statement (and to serve and file any supporting declarations,
19 exhibits, and supporting evidence).

20 4. Any objections to the adequacy of the Disclosure Statement must be in writing
21 and specify in detail the name and address of the objector, the grounds for the objection and the
22 amount of the Claim of the objector. All objections must be filed with the Bankruptcy Court and
23 served on counsel for the Debtor, Ryan J. Works, Esq., McDonald Carano Wilson LLP, at 2300
24 West Sahara Avenue, Suite 1200, Las Vegas, Nevada 89102. The above hearings may be
25 adjourned from time to time by the Bankruptcy Court without further notice except for the
26 announcement of the adjournment date made at the hearing.

27 The Debtor anticipates that the Bankruptcy Court will enter the scheduling order
28 requested by the Debtor’s DS Motion. When the DS Motion is granted, at the Disclosure
29 Statement Hearing, the Bankruptcy Court will: (a) determine whether this Disclosure Statement
30 contains “adequate information” as set forth in 11 U.S.C. § 1125; and (b) otherwise complies
31 with 11 U.S.C. § 1125.

32 With respect to the hearing on confirmation of the Debtor’s Plan (the “Plan Confirmation
33 Hearing”), the Bankruptcy Court will: (a) determine whether the Plan has been accepted by the
34 requisite majorities of each Voting Class; (b) resolve all objections to the Plan and to
35 Confirmation of the Plan; (c) determine whether the Plan meets the requirements for
36 Confirmation of the Plan; (d) determine whether the Plan meets the requirements of the
37 Bankruptcy Code and has been proposed in good faith; and (e) order the Plan confirmed or deny
38 confirmation of the Plan.

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 Separate notices will be served which reflect the dates and deadlines set forth above, or
2 any change in the dates.

3 **2. HISTORY OF THE DEBTOR AND EVENTS LEADING TO THE FILING OF**
4 **THE CHAPTER 11 CASE**

5 **2.1 Description of the Business**

6 Linden & Associates, PC is a professional corporation that provides psychiatric health
7 care to patients for a fee, billed primarily through insurance (Medicare and Medicaid). David E.
8 Linden M.D. ("Dr. Linden") is the only physician on staff with the Debtor and provides one-on-
9 one care to each patient. In providing psychiatric services, Dr. Linden, among other things,
10 diagnoses and/or treats mental health illnesses in each of his patients. The purpose of the
11 Debtor's business is to perform such services to its patients.

12 **2.2 Events Leading to the Chapter 11 Filing**

13 Prior to filing bankruptcy, the Debtor incurred significant pre-petition debts and penalties
14 with the United States Department of Treasury, Internal Revenue Service ("IRS").
15 Consequently, the IRS issued levies on the Debtor's major accounts including the Debtor's
16 Medicare and Medicaid receivables, which left the Debtor with inadequate operating capital to
17 fund its ongoing expenses, including payroll, vendor payments, lease payments, salaries, and
18 expenses. The Debtor filed the instant bankruptcy to immediately release the tax levies, avoid a
19 mass exodus of employees due to a severe restriction of capital, and to propose a Plan that
20 resolves the IRS tax debt.

21 **2.3 The Chapter 11 Filing**

22 As a result of the events described above, the Debtor's desire to continue operating its
23 business, and the desire of the Debtor to repay its obligations pursuant to the Plan, on May 17,
24 2016 (the "Petition Date"), the Debtor filed its voluntary petition for relief [ECF No. 1] (the
25 "Petition") under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Case") along with a
26 Corporate Resolution of the Directors and Shareholders of Linden & Associates P.C. authorizing
27 the Petition [ECF No. 3] (the "Corporate Resolution").

28 **3. SIGNIFICANT DEVELOPMENTS DURING THE COURSE OF THE CHAPTER**
11 CASE

3.1 Ongoing Business

Since the Petition Date, the Debtor has remained in possession of its property and has operated its affairs as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

3.2 Emergency Motions and Related Relief

On May 31, 2016, the Debtor filed an *Ex Parte Motion to Extend Deadline to File Schedules and its Statement of Financial Affairs* [ECF No. 12]. An *Order Granting the Time for the Debtor to file its Schedules and Statement of Financial Affairs* was entered on June 2, 2016 [ECF No. 14]. On June 3, 2016, the Office of the United States Trustee ("OUST") filed its

1 *Motion to Extend Time to File Motion Requesting a Determination that the Appointment of a*
2 *Patient Care Ombudsman is not Necessary* [ECF No. 18] and the Court entered an *Order*
3 *Granting Motion to Extend Time* on June 9, 2016 [ECF No. 24]. On June 14, 2016 the Debtor
4 filed: *Motion for Payment of Pre-Petition Wages* [ECF No. 25]; *Motion for Permission to*
5 *Maintain Pre-Existing Bank Accounts* [ECF No. 26]; *Application to Employ McDonald Carano*
6 *Wilson LLP as attorneys for the debtor in possession Nunc Pro Tunc to the Petition Date* [ECF
7 No. 27]; and *Motion for Order Determining that the Appointment of a Patient Care Ombudsman*
8 *is not Necessary* [ECF No. 28].

9 On June 20, 2016 an *Order Granting, in part, and Denying, in part, Without Prejudice,*
10 *Motion For Payment of Pre-Petition Wages* [ECF No. 43] was entered by the Court. On July 6,
11 2016 this Court entered its *Order Granting Motion For Order Determining That The*
12 *Appointment Of A Patient Care Ombudsman Is Not Necessary* [ECF No. 50] was entered by the
13 Court; and *Order Granting Application to Employ MCW* [ECF No. 51]. By agreement with the
14 OUST, which objected to the maintenance of existing Debtor accounts, MCW continued its
15 *Motion for Permission to Maintain Pre-Existing Bank Accounts* [ECF No. 26] several times
16 while the Debtor tried, with no luck, to open a debtor-in-possession bank account (“DIP
17 Account”) at several OUST approved financial institutions. MCW ultimately withdrew its
18 application when the Debtor was finally able to open a DIP Account.

13 **3.3 The Initial Debtor Interview and Meeting of Creditors**

14 Jim Palmer of the Office of the United States Trustee (“OUST”) conducted the initial
15 debtor interview (“IDI”) on June 23, 2016 at the Foley Federal Bankruptcy Court in Las Vegas,
16 Nevada. Dr. Linden appeared as the Debtor’s representative, with lead restructuring counsel for
17 McDonald Carano Wilson LLP (“MCW”) Ryan J. Works, Esq. (“Mr. Works”)

18 Dr. Linden and Mr. Works appeared for the meeting of creditors pursuant to 11 U.S.C. §
19 341 on June 23, 2016 at 1:00 p.m. Ms. Bloom conducted the meeting. Ms. Bloom requested
20 additional documents regarding the DIP Account and continued the 341 meeting until July 27,
21 2016 at 3:00 p.m. After supplementing its IDI Disclosures, the meeting was again continued
22 until September 15, 2016 at noon to resolve issues with the Debtor opening a DIP Account.
23 After succeeding in opening a DIP Account, the meeting of creditors was concluded on October
24 14, 2016 [ECF No. 63]. No official creditors committee was formed by the U.S. Trustee’s
25 office. *See Statement of UST Concerning Inability to Appoint Committee of Unsecured*
26 *Creditors* at [ECF No 64].

23 **3.4 Schedules and Statement of Affairs**

24 The Debtor filed its Schedules and Statement of Financial Affairs (the “SOFA”) on June
25 14, 2016 [Docket Nos. 33-34]. Those Schedules and the SOFA may be amended from time to
26 time; however, the Debtor does not anticipate any major changes. The Schedules and SOFA
27 may be viewed online at www.nvb.uscourts.gov or may be obtained from the Bankruptcy Clerk
28 or by contacting counsel for the Debtor.

3.5 Monthly Operating Reports and Tax Filings

The Debtor is current in filing all monthly operating reports from the Petition Date to present. The *Small Business Monthly Operating Report for the month ending September 2016* [ECF No. 70] lists the Debtor's cash balance on hand of \$110,714.63. The monthly operating reports may be viewed online at www.nvb.uscourts.gov or may be obtained from the Bankruptcy Clerk or by contacting counsel for the Debtor.

The Debtor has yet to file its 2015 tax return, but anticipates that its 2015 return will be filed any day now; however, the Debtor made an S-election during the 2014 tax year. Accordingly, no income tax for 2015 will be due from Debtor as any income tax liability incurred by Debtor will be passed through to Debtor's shareholders.

3.6 Use of Cash Collateral and Adequate Protection

On November 4, 2016 the Debtor and the IRS entered into, and filed, a *Stipulation for Use of Cash Collateral and For Adequate Protection* [ECF No. 66]. On November 7, 2016 this Court entered an Order approving the same [ECF No. 67]. In sum, the Debtor will make monthly payments to the IRS in the amount of \$5,000 to be applied to the IRS secured claim, with the IRS maintaining all pre-petition encumbrances against the Debtor's available collateral.

3.7 Employment and Payment of Professionals

(a) General Counsel – McDonald Carano Wilson LLP

On June 14, 2016, the Debtor filed an application to employ McDonald Carano Wilson LLP ("MCW" or the "Firm") as general bankruptcy and reorganization counsel for the Debtor [Docket No. 27] (the "Application to Employ"). On June 29, 2016, the Bankruptcy Court conducted a hearing on the Application to Employ and approved the Debtor's employment of MCW *nunc pro tunc* to the Petition Date. [Docket No. 52]. The Order authorizing and approving the employment of MCW was entered on July 6, 2016 and allows for the Debtor to make payments to MCW in the ordinary course, to its client trust account, for work performed in connection with this Chapter 11 Case. *Id.* The trust payments can only be applied and paid to MCW subject to approval by this Court through interim and final fee applications to be presented to the bankruptcy Court. *Id.* Concurrently with the filing of this Disclosure Statement and proposed Plan, MCW is filing its first interim fee application for an award of compensation to be paid and reimbursed to MCW in the amount of \$37,335.00 in fees and \$2,190.99 in expenses, for a total award of: \$39,525.99.

Prior to the Petition Date, MCW obtained a \$5,000.00 pre-payment for services to be performed by MCW relating to the Chapter 11 Bankruptcy. *See* Application to Employ [Docket No. 27]. MCW consumed all but \$2,237.50 pre-petition, with the balance remaining available to MCW for application to invoices subject to this Court's approval of MCW's fee applications. In addition, the Debtor has remained current in paying all of its post-petition invoices, which payments remain in the MCW client trust account for application to invoices on approval by the Bankruptcy Court not more than every 120 days in this Chapter 11 Case. At all times during the Chapter 11 Case, and now, MCW has remained "disinterested" as defined under the Bankruptcy Code, and as set forth in its Application to Employ and supporting declarations.

1 MCW has incurred additional unpaid fees and expenses in addition to the amounts billed
2 and paid by the Debtor to the MCW client trust account. MCW will continue to incur fees and
3 expenses through confirmation and expects to continue receiving compensation on a monthly
4 basis. MCW reserves the right to seek court approval of all fees and expenses incurred through
5 confirmation of the Plan.

4. DESCRIPTION OF PENDING AND COMPLETED LITIGATION

4.1 Pending Litigation.

6 The Debtor is unaware of any disputes and/or lawsuit filed against it at the time of
7 petition.

4.2 Post-Petition Litigation.

8 The Debtor is unaware of any disputes and/or lawsuits filed against it since the Petition
9 Date; however, related litigation against Guarantors for the Debtor - Dr. Linden and (his son)
10 David R. Linden ("Linden Jr.") has been initiated by Merchant Capital Group LLC dba
11 Greenbox Capital ("Greenbox") for a short-term business loan made to the Debtor pre-petition.
12 In consideration of the payment of a portion of the Greenbox, pursuant to the Plan, it is
13 anticipated that this litigation will resolve.

5. DESCRIPTION OF DEBTOR'S ASSETS AND LIABILITIES

5.1 Debtor's Assets

(A) Real Property

14 The Debtor does not own any real property. The Debtor has recently occupied three
15 office buildings wherein it operated its business pursuant to lease agreements entered into by and
16 between the Debtor and (1) the Eldora Jones Center, (2) Morgensen, Inc., and (3) RS Partners,
17 LLC (collectively the "Office Leases"). All of the Office Leases have expired, and none were
18 executory at any time during the Chapter 11 Case. However, the Debtor continues to lease space
19 from RS Partners, as a hold-over tenant. The Debtor remains current with RS Partners and
20 intends to execute a formal lease in the near future.

(B) Personal Property

1. Debtor in Possession's Bank Accounts ("DIP Accounts")

21 Until recently, when the Debtor was able to open its DIP Account at Chase Bank, the
22 following bank accounts were used by the Debtor to operate its business:

<u>Depository</u>	<u>Account No.</u>	<u>Amount²</u>
Chase	XXXXXX8561	\$65,355.58
Kirkpatrick Bank	XXXXXX1155	\$45,359.05

23
24
25
26
27
28 ² Cash Balance is as of September 30, 2016. See [ECF No. 70].

2. Accounts Receivable

Debtor has \$72,870 in accounts receivable as of September 30, 2016.

5. Office Furniture and Equipment

As of June 14, 2016, the Debtor’s technology, office and medical equipment has an estimated liquidation value of less than \$116,800.00.

5.2 Debtor’s Liabilities

(A) Administrative Claims

1. Attorneys’ Fees/McDonald Carano Wilson

The Debtor’s attorneys at MCW have incurred post-petition fees of \$37,335.00 and \$2,190.99 in expenses, for a total of \$39,525.99 as of October 31, 2016 for services rendered as general bankruptcy counsel for the Debtor. MCW’s fees have been provided for in the budget. Debtor has filed an application for interim approval for payment of such fees and expenses. MCW anticipated filing a final fee application sometime in early 2017. MCW has been paid a similar amount from the Debtor for use in applying to its post-petition invoices, therefore, the amounts above have been deducted from the Debtor’s current cash balance on hand.

2. Office of the United States Trustee Fees

All fees required to be paid to the OUST have been paid in full. As of the date of this Disclosure Statement, the Debtor currently owes no fees to the OUST for administration of this case. Additional fees will be incurred throughout the case and OUST fee statements will be paid accordingly.

3. Vendor Claims

During the course of the Debtor in Possession’s post-petition operations, the Debtor has paid its vendors in the ordinary course of business for services rendered to the Debtor.

4. Post-Petition Debt

The Debtor incurred an “Administrative Expense Claim” filed by the Nevada Department of Taxation in the amount of \$4,295.73 [ECF No. 65]; however, it has since been paid by the Debtor, thus, the Debtor has no Administrative Expense Claims at present. Otherwise, if not paid by confirmation, and unless disputed, all Allowed Administrative Expense Claims will be paid in full under the Plan.

(B) Priority Tax Claims

All of the Priority Tax Claims to be paid under the Plan are set forth as follows. The IRS holds a Priority Tax Claim in the amount of \$170,339.44. The Nevada Department of Taxation holds a Priority Tax Claim in the amount of \$9,627.77.

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

(C) Priority Claims

Other than the above Priority Tax Claim, the Debtor does not owe any other Priority Claims.

(D) Secured Claims

The IRS is the only secured creditor, which hold secured claims in the amount of \$197,406.15 against the Debtor's collateral.

(E) Unsecured Claims

The Debtor owes \$113,528.07 in Unsecured Claims to the IRS, Morgensen Incorporated and Greenbox.

(F) Claims Bar Dates

The bar dates for Claims shall be set by the Bankruptcy Court in its forthcoming order. The Debtor anticipates that the Administrative Claims Bar Date and the Executory Contracts Claims Bar Date will be set thirty (30) days following the Confirmation Date of the Plan. The Proof of Claim bar date was May 17, 2016. The governmental proof of claim deadline is November 14, 2016.

6. OVERVIEW OF THE PLAN**6.1 Unclassified Claims****(A) Administrative Claims**

Deadline to File Administrative Claims. The Holder of an Administrative Claim, other than (i) a Professional Fee Claim, or (ii) a liability incurred and paid in the ordinary course of business by the Debtor, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Claim on or before the Administrative Claim Bar Date. Such notice must include, at minimum, (i) the name of the Holder of such Claim, (ii) the basis of the Claim, and (iii) the amount of the Claim. Failure to file such notice timely and properly shall result in the Administrative Expense Claim being forever barred and discharged.

Payment Provisions. Subject to the provisions of Bankruptcy Code sections 330(a), 331 and 503(b), each Holder of an Administrative Claim shall, either: (i) be paid in Cash in the Allowed amount of any such Claim, on, or as soon as reasonably practicable after, the later of (A) the Effective Date, (B) the date upon which such Administrative Claim becomes Allowed, or (C) such date as is otherwise agreed by the Debtor and the Holder of such Claim; or (ii) receive such other treatment as is agreed to by the Holder of an Administrative Claim and the Debtor.

(B) Professional Fee Claims.

Deadline to File Professional Fee Claims. The Holder of a Professional Fee Claim must file with the Bankruptcy Court, and serve on all necessary parties and their counsel, a

1 request for final payment of such Professional Fees, and reimbursement of expenses, pursuant to
2 Bankruptcy Code sections 328, 330 and/or 331 and the terms of the Plan, no later than forty-five
3 (45) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court.

4 *Payment Provisions.* Subject to the provisions of Bankruptcy Code sections 330(a), 331
5 and 503(b), each Holder of a Professional Fee Claim shall be paid in Cash in the Allowed
6 amount of any such Professional Fee Claim on, or as soon as reasonably practicable after, the
7 later of (i) the Effective Date, (ii) the date upon which such Administrative Claim becomes
8 Allowed, or (iii) such date as is otherwise agreed by the Debtor and the Holder of such
9 Professional Fee Claim.

10 **(C) United States Trustee Fees.**

11 Notwithstanding the foregoing or anything to the contrary in the Plan, the Debtor shall
12 pay, or cause to be paid, all accrued U.S. Trustee Fees on or before the Effective Date of the
13 Plan; and following the Effective Date, the Debtor shall be responsible for timely payment of all
14 U.S. Trustee Fees until such time as the Final Decree closing this Chapter 11 Case are entered
15 and all U.S. Trustee Fees due are paid in full. The Debtor shall file with the Bankruptcy Court
16 and serve on the U.S. Trustee a quarterly financial report for each quarter (or portion thereof)
17 that the Chapter 11 Case remains open in such format as reasonably may be required by the U.S.
18 Trustee.

19 **(D) Priority Tax Claims.**

20 The legal and equitable rights of the Holders of Priority Tax Claims are unaltered by the
21 Plan. If a governmental entity is entitled to a priority under 11 U.S.C. 507(a)(8), the claim will
22 be paid in full. Each Holder of an Allowed Priority Tax Claim shall, either:

23 (1) be paid the Allowed amount of such Claim in Cash on the
24 Effective Date;

25 (2) receive such other treatment as is agreed to by the Holder of the
26 Allowed Priority Tax Claim and the Debtor; or

27 (3) have such Claim assumed by Reorganized Debtor, to be paid by
28 Reorganized Debtor in Cash in the Allowed amount of any such Claim on the date
on which such Claim is payable under applicable law or any agreement relating
thereto.

Under the Plan, Holders of Allowed Priority Tax Claims against the Debtor shall not be
entitled to any payments on account of any post-Petition Date interest or penalty with respect to
or in connection with an Allowed Priority Tax Claim. Any such Claim or demand for any post-
Petition Date interest or penalty will be discharged upon the entry of the Confirmation Order by
Bankruptcy Code section 1141(d)(1), and the Allowed Priority Tax Claim Holder shall not assess
or attempt to collect such accrued interest or penalty from the Debtor, the Reorganized Debtor,
or their property.

Priority Tax Claims Against the Debtor: The Priority Tax Claims against the
Debtor total \$179,967.21, consisting of the following: (A) Claim made by the IRS in the

1 amount of \$170,339.44; and (B) Claim made by the State of Nevada Department of Taxation in
2 the amount of \$9,627.77.

3 **6.2 Classified Claims, Estimates By Class and Proposed Treatment.**

4 **(A) Class 1: Priority Claims**

5 *Claims in Class:* Class 1 consists of Priority Claims against the Debtor. There are
6 presently no Priority Claims against the Debtor other than the unclassified Priority Tax Claims
7 set forth above.

8 *Treatment:* The legal and equitable rights of the Holders of Allowed Priority Claims are
9 unaltered by the Plan. Each Holder of an Allowed Priority Claim shall, either: (i) be paid the
10 Allowed amount of such Claim in Cash on the Effective Date, (ii) have such Claim assumed by
11 Reorganized Debtor, to be paid by Reorganized Debtor in Cash in the Allowed amount of any
12 such Claim on the date on which such Claim is payable under applicable law or any agreement
13 relating thereto; or (iii) receive such other treatment as is agreed by the Holder of the Allowed
14 Priority Claim, the Debtor and the Reorganized Debtor.

15 *Impairment and Voting:* Class 1 is Unimpaired and the Holders of Allowed Priority
16 Claims are conclusively deemed to have accepted the Plan, pursuant to Bankruptcy Code section
17 1126(f). The Holders of Class 1 are not entitled to vote to accept or reject the Plan.

18 **(B) Class 2: Secured Claims**

19 *Claims in Class:* Class 2 consists of the Secured Claims against the Debtor. There is
20 one Secured Claim against the Debtor made by the Internal Revenue Service in the amount of
21 \$298,474.44, which consists of taxes due in the amount of \$139,669.60, interest to the petition
22 date in the amount of \$57,736.55, and penalties to the petition date of \$101,068.29.

23 *Treatment:* On the Effective Date, the Holders of Allowed Secured Claims shall
24 receive, in full satisfaction, settlement, release and exchange for the Allowed Secured Claim
25 over sixty (60) months.

26 *Impairment and Voting:* Class 2 is Impaired. The Holders of the Class 2 Secured
27 Claims are entitled to vote to accept or reject the Plan.

28 **(C) Class 3: General Unsecured Claims**

Claims in Class: Class 3 consists of General Unsecured Claims against the
Debtor. The General Unsecured Claims against the Debtor total \$113,528.07, consisting of the
following: (1) Claim made by the Internal Revenue Service in the amount of \$24,283.43; (2)
Claim made by Morgensen Incorporated in the amount of \$58,275.00; and (3) Claim made by
Merchant Capital Group, LLC, d/b/a Greenbox Capital in the amount of \$30,969.64.

Treatment: On the Effective Date, Holders of Class 3 General Unsecured Claims
shall receive, in full satisfaction, settlement, release and exchange for the Secured Claim
payment in the amount of 20% of the total Allowed Unsecured Claim.

1 *Impairment and Voting:* Class 3 is Impaired. The Holders of the Class 3 Secured
2 Claims are entitled to vote to accept or reject the Plan.

3 **(D) Class 4: Equity Interest Holders**

4 *Claims in Class:* Class 4 consists of Equity Interest Holders. Equity Interest Holders
5 are parties who hold an ownership interest in the Debtor (i.e. the stockholders of Linden &
Associates P.C. Here, the Debtor is a professional corporation and has stockholders. The
6 sole-stockholder is Dr. Linden, who will retain his equity under the Plan.

7 *Treatment:* On the Effective Date, Equity Interest Holders shall retain their equity.

8 *Impairment and Voting:* Class 4 is Unimpaired. The Holders of the Class 4 Secured
9 Claims are not entitled to vote to accept or reject the Plan.

10 **6.3 Executory Contracts and Unexpired Leases**

11 A list of the Debtor's executory (if any) contracts will be filed prior to the hearing on this
12 Disclosure Statement.

13 **6.4 Objections to Claims**

14 Unless otherwise extended by the Bankruptcy Court, objections to the allowance of
15 Claims and Equity Interest Holders shall be filed and served exclusively by the Reorganized
Debtor upon the Persons asserting such Claims or Equity interests within sixty (60) days after
16 the Confirmation Date.

17 **6.5 Vesting of Assets**

18 Except as otherwise expressly provided in the Plan or in the Confirmation Order,
19 effective as of the Effective Date, without any further action, the Reorganized Debtor will be
20 vested with all of the property of the Estate, wherever situated, free and clear of all Claims,
21 Liens and Equity Interests (except for Liens provided or authorized pursuant to the Plan and
22 Permitted Encumbrances). Without limiting the generality of the foregoing, on and after the
23 Effective Date, the Reorganized Debtor shall be vested with all of the property of the Estate,
24 wherever situated, free and clear of any Claims based on any form of successor liability or
25 similar or related theory of liability. On and after the Effective Date, but subject to the terms of
26 the Plan, the Reorganized Debtor shall be free of any restrictions imposed by the Bankruptcy
27 Code or Bankruptcy Court, may operate its business and may use, acquire or dispose of its assets
28 (including the Property) free of any restrictions imposed by the Bankruptcy Code and the
Bankruptcy Rules and without supervision or approval by the Bankruptcy Court, other than the
obligations set forth in the Plan, or the Confirmation Order. Without limiting the generality of
the foregoing and except as otherwise expressly provided herein or in the Confirmation Order,
any Causes of Action, will be preserved and retained solely for the Reorganized Debtor's
commencement, prosecution, use and benefit.

1 **6.6 Discharge**

2 IN CONJUNCTION WITH BANKRUPTCY CODE SECTION 1141, EXCEPT AS
3 OTHERWISE PROVIDED FOR IN THE PLAN, THE RIGHTS AFFORDED IN THE PLAN
4 AND THE TREATMENT OF ALL CLAIMS AND EQUITY INTERESTS IN THE PLAN
5 SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION, DISCHARGE
6 AND RELEASE OF CLAIMS OF ANY NATURE WHATSOEVER AGAINST THE
7 DEBTOR, REORGANIZED DEBTOR, AND OF THE ASSETS OR PROPERTIES OF THE
8 ESTATE, INCLUDING ANY INTEREST ACCRUED ON SUCH CLAIMS FROM AND
9 AFTER THE PETITION DATE.

10 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS
11 PROVIDED IN THE CONFIRMATION ORDER, CONFIRMATION WILL DISCHARGE
12 THE DEBTOR AND THE REORGANIZED DEBTOR FROM ALL CLAIMS, OR OTHER
13 DEBTS THAT AROSE BEFORE THE EFFECTIVE DATE, AND ALL DEBTS OF THE
14 KIND SPECIFIED IN SECTIONS 502(g), 502(h) OR 502(i) OF THE BANKRUPTCY CODE,
15 WHETHER OR NOT: (X) A PROOF OF CLAIM BASED ON SUCH A DEBT HAS BEEN
16 FILED, OR DEEMED TO HAVE BEEN FILED, UNDER BANKRUPTCY CODE SECTIONS
17 501 OR 1111(a); (Y) A CLAIM BASED ON SUCH DEBT IS ALLOWED UNDER SECTION
18 502 OF THE BANKRUPTCY CODE; OR (Z) THE HOLDER OF A CLAIM BASED ON
19 SUCH DEBT HAS VOTED TO ACCEPT THE PLAN. EXCEPT AS OTHERWISE
20 PROVIDED IN THE PLAN, (I) ON THE EFFECTIVE DATE, ALL CLAIMS AGAINST THE
21 DEBTOR WHICH AROSE BEFORE THE EFFECTIVE DATE SHALL BE SATISFIED,
22 DISCHARGED AND RELEASED IN FULL AND (II) ALL PERSONS SHALL BE
23 PRECLUDED FROM ASSERTING AGAINST THE DEBTOR, THE REORGANIZED
24 DEBTOR, ANY SECURED LENDER THAT IS A TRANSFEREE OF A PROPERTY, OR
25 THEIR SUCCESSORS, OR ANY OF THEIR ASSETS OR PROPERTIES, ANY OTHER OR
26 FURTHER CLAIMS BASED UPON ANY ACT OR OMISSION, TRANSACTION OR
27 OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE
28 EFFECTIVE DATE, AS WELL AS ANY DEBT OF A KIND SPECIFIED IN BANKRUPTCY
CODE SECTIONS 502(g), 502(h), OR 502(i), IRRESPECTIVE OF WHETHER (X) A PROOF
OF CLAIM BASED ON SUCH A DEBT HAS BEEN FILED, OR DEEMED TO HAVE BEEN
FILED, UNDER BANKRUPTCY CODE SECTIONS 501 OR 1111(a), (Y) SUCH CLAIM IS
ALLOWED UNDER BANKRUPTCY CODE SECTION 502, OR (Z) THE HOLDER OF THE
CLAIM HAS ACCEPTED THE PLAN.

1 **6.7 Injunctions**

2 (a) Injunction Against Releasors. All of the Releasors, along with any of their
3 successors or assigns, are permanently enjoined, from and after the Effective Date, from (1)
4 commencing or continuing in any manner any action or other proceeding of any kind against the
5 Releasees or any of their respective Representatives in respect of any Released Liabilities; (2)
6 enforcing, attaching, collecting or recovering by any manner or means of any judgment, award,
7 decree or order against the Releasees or any of their respective Representatives in respect of any
8 Released Liabilities; (3) creating, perfecting, or enforcing any encumbrance of any kind against
9 any property in the possession, custody or control of the Releasees or any of their respective
10 Representatives with respect to any Released Liabilities; or (4) asserting any right of setoff,
11 subrogation or recoupment of any kind against any obligation due from the Releasees or any of

1 their respective Representatives or against the property or interests in property of the Releasees
2 or any of their respective Representatives, with respect to any Released Liabilities; provided,
3 however, that nothing contained herein shall preclude such Releasors from exercising their rights
4 pursuant to and consistent with the terms hereof and the contracts, instruments, releases and
5 other agreements and documents delivered under or in connection with the Plan; provided,
6 further, that nothing contained herein shall be deemed to enjoin any Releasor from taking any
7 action against any Releasee or any of its Representatives based on the release exceptions
8 contained in Section 11.4 of the Plan.

9 (b) Injunction Protecting Exculpation of Releasees and Debtor. All Claimholders and
10 any other parties-in-interest, along with any of their Representatives and any of their successors
11 or assigns are permanently enjoined, from and after the Effective Date, from (1) commencing or
12 continuing in any manner any action or other proceeding of any kind against Releasees or any of
13 their respective Representatives in respect of any potential liability for which exculpation is
14 granted pursuant to Section 11.3 of the Plan; (2) enforcing, attaching, collecting or recovering by
15 any manner or means of any judgment, award, decree or order against Releasees or any of their
16 respective Representatives in respect of any potential liability for which exculpation is granted
17 pursuant to Section 11.3 of the Plan; (3) creating, perfecting, or enforcing any encumbrance of
18 any kind against Releasees or any of their respective Representatives in respect of any potential
19 liability for which exculpation is granted pursuant to Section 11.3 of the Plan; or (4) asserting
20 any right of setoff, subrogation or recoupment of any kind against any Releasee or any of their
21 respective Representatives or against the property or interests in property any Releasee or any of
22 their respective Representatives, in respect of any potential liability for which exculpation is
23 granted pursuant to Section 11.3 of the Plan; provided, however, that nothing contained herein
24 shall preclude any Claimholder or other party-in-interest from exercising its rights pursuant to
25 and consistent with the terms hereof and the contracts, instruments, releases and other
26 agreements and documents delivered under or in connection with the Plan.

27 (c) Injunction Against Interference With Plan. Upon the Effective Date, all
28 Claimholders and their respective Representatives and any of their successors or assigns shall be
enjoined from taking any actions to interfere with the implementation or consummation of the
Plan.

6.8 Exculpation

None of the Releasees, nor any of their respective Representatives shall have or incur any
liability to any Claimholder, or any other party-in-interest, or any of their Representatives, or any
of their successors or assigns, for any act, omission, transaction or other occurrence in
connection with, relating to, or arising out of the Chapter 11 Case, the pursuit of confirmation of
the Plan, or the consummation of the Plan, except and solely to the extent such liability is based
on fraud, gross negligence or willful misconduct. The Releasees shall be entitled to reasonably
rely upon the advice of counsel with respect to any of their duties and responsibilities under the
Plan or in the context of the Chapter 11 Case. No Claimholder, or any other party-in-interest,
including their respective Representatives, shall have any right of action against the Releasees or
any of their Representatives, for any act, omission, transaction or other occurrence in connection
with, relating to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan,
the consummation of the Plan or the administration of the Plan, except to the extent arising from
fraud, gross negligence and willful misconduct. Nothing herein shall be deemed an exculpation

1 by any Claimholder, or any other party-in-interest, including their respective Representatives, of
 2 any Releasee or any of its Representatives for any acts, omissions, transactions, events or other
 3 occurrences taking place after the Effective Date or unrelated to this Plan and/or Chapter 11
 Case.

4 **6.9 Releases**

5 As of the Effective Date, for good and valuable consideration, the adequacy of which is
 6 hereby confirmed, each Releaser will be deemed to release, waive and forever discharge all
 7 Released Liabilities against each Releasee and each Releasee's respective Representatives;
 8 provided, however, that, the releases provided herein shall not constitute a release of any liability
 9 based on willful misconduct, gross negligence or fraud; provided, further, that nothing herein
 shall be deemed to constitute a release by any Releaser of any Releasee or any of its
 Representatives for any acts, omissions, transactions, events or other occurrences taking place
 after the Effective Date or unrelated to this Plan and/or Chapter 11 Case.

10 From and after the Effective Date, neither the Debtor nor its respective present or former
 11 members, directors, officers, managers, employees, advisors, attorneys or agents, shall have any
 12 liability to any holder of a Claim or Equity Interest or any other party-in-interest, or any of their
 13 respective agents, employees, representatives, financial advisors, attorneys or Affiliates, or any
 14 of their respective agents, employees, representatives, financial advisors, attorneys or Affiliates,
 15 or any of their successors or assigns, for any act or omission in connection with, relating to, or
 16 arising out of (from the Petition Date forward), the Chapter 11 Bankruptcy Case, the pursuit of
 17 confirmation of the Plan or the consummation of the Plan, except for gross negligence and
 18 willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of
 19 counsel with respect to their duties and responsibilities under the Plan or in the context of the
 Case. No holder of a Claim or Equity Interest, nor any other party-in-interest, including their
 respective agents, employees, representatives, financial advisors, attorneys or Affiliates, shall
 have any right of action against the Debtor or any of its present or former members, officers,
 directors, managers, employees, advisors, attorneys or agents, for any act or omission in
 connection with, relating to, or arising out of the Bankruptcy Case, the pursuit of Confirmation,
 the consummation of the Plan or the administration of the Plan, except for (a) their willful
 misconduct; and (b) matters specifically contemplated by the Plan.

20 **7. POST-CONFIRMATION OWNERSHIP, MANAGEMENT AND** 21 **COMPENSATION**

22 **7.1. Post-Confirmation Management and Compensation of Key Employees**

23 Dr. Linden will retain 100% of his stock in the Reorganized Debtor. It is anticipated that
 24 the Reorganized Debtor will be managed by the same management team as now, which includes
 25 Dr. Linden, Linden Jr. and several key employees. Compensation of key employees is as
 follows:

26 Dr. Linden
 27 Linden Jr.
 28 Deedra

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 **8. MEANS OF IMPLEMENTATION OF THE PLAN**

2 **8.1 Continued Operation of the Debtor.**

3 The Reorganized Debtor will continue to operate its business in the ordinary course,
4 following confirmation of the Plan. The continued business of the Reorganized Debtor will
5 include, but is not necessarily limited to, providing psychiatric and related services.

6 **8.2 Assumption of Leases.**

7 None.

8 **8.3 Return of Property.**

9 To the extent the Debtor is leasing property, or holding property belonging to another
10 Person, upon the filing of the Notice of Effective Date, the Debtor will return the property that is
11 the subject of the rejected executory contract or unexpired lease, or property that is being held
12 by the Debtor for another.

13 **8.4 Termination of Plan Administrator.**

14 The Plan Administrator will be terminated immediately after the final Cash is distributed
15 in accordance with the Bankruptcy Court's determination concerning the allowance of any
16 remaining Disputed Claims.

17 **9. CERTAIN TAX CONSEQUENCES OF THE PLAN**

18 THE FOLLOWING SUMMARY DOES NOT CONSTITUTE TAX ADVICE TO ANY
19 CREDITOR OR EQUITY SECURITY HOLDER. NO REPRESENTATIONS REGARDING
20 THE EFFECT OF IMPLEMENTATION OF THE PLAN ON INDIVIDUAL CREDITORS OR
21 EQUITY SECURITY HOLDERS ARE MADE HEREIN OR OTHERWISE. ALL CREDITORS
22 AND EQUITY SECURITY HOLDERS ARE URGED TO CONSULT THEIR OWN TAX
23 ADVISORS REGARDING THE TAX CONSEQUENCES OF THE PLAN TO THEIR
24 SPECIFIC SITUATION.

25 CREDITORS SHOULD CONSULT THEIR TAX ADVISOR REGARDING THE TAX
26 TREATMENT (INCLUDING FEDERAL, STATE, LOCAL, AND FOREIGN TAX
27 CONSEQUENCES) OF THEIR RESPECTIVE ALLOWED CLAIMS. THIS DISCLOSURE IS
28 NOT A SUBSTITUTE FOR TAX PLANNING OR SPECIFIC ADVICE FOR PERSONS
AFFECTED BY THE PLAN.

Pursuant to the Plan, the Debtor intends to pay all Priority Tax Claims and Secured Tax
Claims associated with its post-confirmation Reorganization. The Debtor intends to pay 20% of
the IRS Unsecured Tax Claim. The Debtor will not pay penalties and post-petition interest on its
tax claims. The Debtor believes that there are no federal tax consequences peculiar to its Plan.

10. INSIDER AND AFFILIATE CLAIMS

There are no Insiders or Insider Affiliates for voting purposes.

1 **11. RISK FACTORS**

2 PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS
3 AGAINST THE DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE FACTORS
4 SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS
5 DISCLOSURE STATEMENT, THE DOCUMENTS DELIVERED TOGETHER WITH THIS
6 DISCLOSURE STATEMENT, AND ANY PLAN SUPPLEMENT. THE RISK FACTORS SET
7 FORTH BELOW SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS
8 INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

9 **11.1 Purpose of the Disclosure Statement**

10 **(A) The Debtor Has No Duty To Update.**

11 The statements in this Disclosure Statement are made by the Debtor as of the date hereof,
12 unless otherwise specified herein. The delivery of this Disclosure Statement after that date does
13 not imply that there has been no change in the information set forth herein since that date. The
14 Debtor has no duty to update this Disclosure Statement unless ordered to do so by the
15 Bankruptcy Court.

16 **(B) Information Presented Is Based On The Debtor's Books And
17 Records, And Is Unaudited.**

18 While the Debtor has endeavored to present information fairly in this Disclosure
19 Statement, there is no assurance that the Debtor's books and records upon which this Disclosure
20 Statement is based are complete and accurate. The financial information contained herein has
21 been produced based upon the Debtor's books and records as they are maintained in the ordinary
22 course of business and in accordance with the Debtor's ordinary and customary accounting
23 practices. The financial information contained herein, however, has not been audited.

24 **(C) Projections And Other Forward-Looking Statements Are Not
25 Assured, And Actual Results Will Vary.**

26 Certain information in this Disclosure Statement is, by nature, forward looking, and
27 contains estimates and assumptions which might ultimately prove to be incorrect, and projections
28 which may differ materially from actual future results. There are uncertainties associated with all
assumptions, projections and estimates, and they should not be considered assurances or
guarantees of the amount of funds that will be distributed or the amount of Claims in the various
Classes that will be allowed. The allowed amount of Claims in each Class, as well as
Administrative Claims, could be significantly more than projected, which in turn, could cause the
value of Distributions to be reduced substantially.

(D) This Disclosure Statement Was Not Approved By The SEC.

This Disclosure Statement has not been registered under the Securities Act of 1933, as
amended (the "Securities Act"), or applicable state securities laws. Neither the SEC nor any state
regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement or
the exhibits contained herein, and any representation to the contrary is unlawful.

(E) Certain Tax Implications of the Plan.

1
2 Holders of Allowed Claims should carefully review Article 9 herein, "Certain Tax
3 Consequences of the Plan" to determine how the tax implications of the Plan and the Chapter 11
4 Case may affect holders of Allowed Claims and the Debtor. The contents of this Disclosure
5 Statement should not be construed as legal, business or tax advice. Each holder of an Allowed
6 Claim should consult his, her or its own legal counsel and accountant as to legal, tax and other
7 matters concerning his, her or its Claim or Equity Interest.

11.2 Certain Bankruptcy Considerations**(A) Risk of Non-Confirmation of the Plan.**

8
9 In order for the Debtor to implement the Plan, the Debtor, like any other chapter 11 plan
10 Debtor, must obtain approval of the Plan from the creditors and confirmation of the Plan through
11 the Bankruptcy Court, and then successfully implement the Plan. The foregoing process requires
12 the Debtor to: (a) meet certain statutory requirements with respect to the adequacy of this
13 Disclosure Statement; (b) solicit and obtain creditor acceptances of the Plan; and (c) fulfill other
14 statutory conditions with respect to the confirmation of the Plan.

15
16 The Debtor may not receive the requisite acceptances to confirm the Plan. If the requisite
17 acceptances of the Plan are received, the Debtor will seek confirmation of the Plan by the
18 Bankruptcy Court. If the requisite acceptances are not received, the Debtor will nevertheless seek
19 confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code as long
20 as at least one Impaired Class has accepted the Plan (determined without including the
21 acceptance of any "insider" in such Impaired Class).

22
23 Even if the requisite acceptances of the Plan are received, or the Debtor is able to seek a
24 "cram-down" confirmation, the Bankruptcy Court may not confirm the Plan as proposed. A
25 holder of a Claim in a Non-Accepting Class could challenge the balloting procedures and results
26 as not being in compliance with the Bankruptcy Code. Even if the Bankruptcy Court determined
27 that the balloting procedures and results were appropriate, the Bankruptcy Court could decline to
28 confirm the Plan if it found that any of the statutory requirements for confirmation had not been
29 met.

30
31 The Bankruptcy Court may determine that the Plan does not satisfy one or more of these
32 applicable requirements, in which case the Plan could not be confirmed by the Bankruptcy Court.
33 If the Plan is not confirmed by the Bankruptcy Court, the liquidation of the Debtor in a Chapter 7
34 liquidation would result in a substantial increase to administrative costs and, therefore,
35 Distributions to Claimholders would be significantly reduced or even eliminated due to the
36 increase in priority claims arising from a Chapter 7 liquidation. In addition, there can be no
37 assurance that the Debtor will be able to successfully develop, prosecute, confirm, and
38 consummate an alternative plan of reorganization with respect to the Chapter 11 Case that is
39 acceptable to the Bankruptcy Court and the Holders of Claims.

(B) Risk of Non-Occurrence of Effective Date.

40
41 Although the Debtor anticipates that the Effective Date will occur soon after the
42 Confirmation Date, there can be no assurance as to such timing. If each of the conditions

precedent are not satisfied or duly waived, consistent with the terms of the Plan, notice shall be given that the Effective Date did not occur and the Confirmation Order will be vacated without further order of the Bankruptcy Court, in which event the Plan would be deemed null and void.

(C) Risk that Claims Will Be Higher Than Estimated.

The projected distributions and recoveries set forth in this Disclosure Statement and the Liquidation analysis are based on the Debtor's initial estimate of Allowed Claims, without having undertaken a substantive review of all filed Claims. The Plan allows for the establishment of reserves (the "Cash Reserve") for the purposes of satisfying the Disputed Claims, as necessary or appropriate. The Debtor reserves the right to fund a Cash Reserve and seek estimation of such Disputed Claims pursuant to section 502(c) of the Bankruptcy Code. The actual amount at which such Disputed Claims are ultimately allowed may differ from the estimates. Holders of Disputed Claims are entitled to receive distributions under the Plan upon allowance of such Claims as set forth in the Plan. If a Cash Reserve is established, and the Holders of Disputed Claims exhaust the Cash Reserve, there will be no further recourse against the Debtor, Reorganized Debtor, or any Creditor, or party-in-interest on account of such deficiency. The Debtor projects that the Claims asserted against the Debtor will be resolved in and reduced to an amount that approximates their estimates. There can be no assurance, however, that the Debtor's estimates will prove accurate. If claims are ultimately allowed in amounts higher than estimated, for example, distributions and recoveries on account of claims may be lower than estimated.

(D) The Debtor's Management Team May Allocate Less Time to the Operation of the Debtor's Business Operations.

So long as the Chapter 11 Case continues, the Debtor's management team will be required to spend a significant amount of their time attending to the Debtor's Reorganization instead of focusing exclusively on the Debtor's business operations.

(E) Estimated Valuation and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Potential Market Value (if any) of the Plan Consideration.

The Debtor's estimates of the recoveries to the Debtor's Holders of Allowed Claims are not intended to represent the market value of any components of the consideration under the Plan. The estimated recoveries are based on numerous assumptions, including, without limitation: (a) the successful implementation of the Plan; and (b) an assumed date for the occurrence of the Effective Date.

(F) No Representations Outside of this Disclosure Statement are Authorized.

No representations concerning or related to the Debtor, the Chapter 11 Case or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

1 (G) **Release and Exculpation of Liability Arising Out of Administration**
 2 **of Plan.**

3 The Plan protects certain parties from incurring liability, absent gross negligence, fraud
 4 or willful misconduct. Holders of Allowed Claims should carefully read these provisions, set
 5 forth in Article 11 of the Plan, to consider the liability implications arising under the Plan.

6 **12. LIQUIDATION ANALYSIS AND ALTERNATIVES TO THE PLAN**

7 **12.1 Alternatives to the Plan**

8 The Debtor believes that the Plan, described herein, enables all Creditors and Holders of
 9 Equity Interests to receive payment of their Allowed Claims and Allowed Interests as quickly as
 10 possible and for the greatest return. If the Plan is not confirmed, the only alternative is
 11 conversion to Chapter 7 Liquidation. A projected budget for the 12-month period, starting
 12 January 2016, will be filed prior to the hearing on this Disclosure Statement. In a Chapter 7
 13 Liquidation, Holders of General Unsecured Claims would not receive any distribution because
 14 the Debtor's only valuable asset is its receivables, all of which would be consumed by Holders of
 15 the Allowed Unclassified Claims (including the Priority Tax Claims and substantial
 16 Administrative Claims) and the Allowed Secured Claims. A Liquidation Analysis will be filed
 17 on or prior to the hearing on this Disclosure Statement.

18 Holders of Allowed General Unsecured Claims will be entitled to a greater portion of
 19 their Allowed Claims than in a Chapter 7 Liquidation. Pursuant to Section 1129(a)(7) of the
 20 Bankruptcy Code, for the Plan to be confirmed it must provide that Holder of Allowed General
 21 Unsecured Claims and Holders of Equity interests will receive more under the Plan than they
 22 would receive in a Chapter 7 Liquidation. As set forth above, the Plan is in the best interests of
 23 the creditors because the Holders of Allowed General Unsecured Claims will receive more under
 24 the Plan than in Chapter 7.

25 **13. CONCLUSION AND RECOMENDATION**

26 The Debtor believes that confirmation and implementation of the Plan is preferable to
 27 any of the alternatives described above because it will provide the greatest recoveries to the
 28 Claimholders. Other alternatives would involve significant delay, uncertainty and substantial
 additional administrative costs. The Debtor urges those Creditors entitled to vote on the Plan to
 accept the Plan and to evidence such acceptance by returning their Ballots so that they will be
 received no later than _____, 2017.

1 Dated: November 14, 2016
2 Linden & Associates, P.C.
3 By: David Linden, M.D., its President

4 /s/ David Linden, M.D.

5 MCDONALD CARANO WILSON LLP

6 By: /s/ Ryan J. Works
7 RYAN J. WORKS (NV Bar No. 9224)
8 AMANDA M. PERACH (NV Bar No. 12399)
9 2300 West Sahara Avenue, Suite 1200
10 Las Vegas, Nevada 89102
11 Telephone: (702) 873-4100
12 Facsimile: (702) 873-9966
13 rworks@mcdonaldcarano.com
14 aperach@mcdonaldcarano.com

15 *Counsel to the Debtor*

MCDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

28

EXHIBIT 1

1 McDONALD CARANO WILSON LLP
Ryan J. Works, Esq. (NV Bar No. 9224)
2 Amanda M. Perach, Esq. (NV Bar No. 12399)
2300 West Sahara Avenue, Suite 1200
3 Las Vegas, Nevada 89102
4 Telephone Number: (702) 873-4100
Facsimile Number: (702) 873-9966
5 rworks@mcdonaldcarano.com
aperach@mcdonaldcarano.com
6 *Counsel for Linden & Associates*

Electronically Filed November 14, 2016

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

9 In re
10 LINDEN & ASSOCIATES, P.C.,
11 Debtor in Possession.

Case No.: 16-12697-mkn
Chapter 11

**CHAPTER 11 PLAN OF
REORGANIZATION**

Hearing Date:
Hearing Time:

**Hearing Place: Foley Federal Building, 300
Las Vegas Blvd. South, Las Vegas, Nevada
89101**

12
13
14
15
16
17
18 This Chapter 11 Plan (the “Plan”) is provided to creditors by the debtor and debtor-in-
19 possession, LINDEN & ASSOCIATES, P.C., an Oklahoma corporation (the “Debtor” or
20 “Proponent”), in connection with the solicitation of acceptances of the Debtor’s Plan. The
21 Debtor’s case remains pending under Chapter 11 of the United States Code, and was initiated on
22 May 17, 2016 (the “Petition Date”), in the United States Bankruptcy Court for the District of
23 Nevada, as Case No. 16-12697-mkn (the “Chapter 11 Case”). This Plan is the Debtor’s proposal
24 to its creditors to provide an orderly reorganization of the Debtor’s estate.

25 All Claimholders against Debtor and any other interested parties are encouraged to read
26 this Plan, the Disclosure Statement and the related solicitation materials in their entirety before
27 voting to accept or reject the this Plan.

28 This Plan provides for the reorganization of the Debtor. This reorganization will be

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 governed and administered by the Plan Administrator, who will distribute funds or property of
2 the Debtor's estate to the Holders of Allowed Claims under this Plan.

3 Creditors and other parties-in-interest should refer to the Disclosure Statement supporting
4 this Plan for a discussion of Debtor's history, business, operations, risk factors, a summary and
5 analysis of this Plan, and other related matters. Debtor is the proponent of this Plan, within the
6 meaning of Section 1129 of the Bankruptcy Code.

7 Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy
8 Code and Bankruptcy Rule 3019, Bankruptcy Rules, and those restrictions on modifications set
9 forth in this Plan, Debtor expressly reserves the right to alter, amend, strike, withdraw or modify
10 this Plan as permitted in this Plan and as provided under the Bankruptcy Code. Based on the
11 factors described above, Debtor believes that confirmation of this Plan is in the best interests of
12 Creditors and asks that Creditors vote in favor of this Plan.

13 The Plan must receive creditor approval and the Court must find that it meets the
14 requirements of the law in order to be confirmed. If this Plan is not confirmed, then the Court
15 may allow:

- 16 (a) the case to be dismissed;
- 17 (b) the Debtor to draft another plan; or
- 18 (c) the case to be converted to a Chapter 7 proceeding, with the assets of the Debtor
19 being sold by a Court appointed trustee rather than pursuant to this Plan.

20 **DISCLAIMER**

21 Reference is made to the Disclosure Statement accompanying this Plan, including the
22 exhibits appended thereto, for a discussion of Debtor's history, business, operations and assets,
23 and brief summary and detailed analysis of this Plan. All Creditors are encouraged to consult the
24 Disclosure Statement and to read this Plan carefully and completely before voting to accept or
25 reject this Plan.

26 THIS PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AND
27 IS ONLY INTENDED FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF
28 THIS PLAN.

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

A. Definitions.

For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article I of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

1.1 “1111(b) Election” means an election made by a Secured Lender, pursuant to Bankruptcy Code section 1111(b), to have its entire Allowed Claim treated as secured in accordance therewith. Nothing contained herein shall be treated as an admission or consent to the availability of an 1111(b) Election to particular Claims held by Secured Lenders.

1.2 “Administrative Claim” means a Claim for any cost or expense of administration of the Chapter 11 Cases allowed under §§ 503(b), 507(b) or 546(c)(2) of the Bankruptcy Code and entitled to priority under § 507(a)(1) of the Bankruptcy Code, including, without limitation: (a) fees payable under 28 U.S.C. § 1930; (b) actual and necessary costs and expenses incurred in the ordinary course of the Debtor’s business; (c) actual and necessary costs and expenses of preserving the Debtor’s Estate or administering the Chapter 11 Case; and (d) all Professional Fees to the extent allowed by Final Order under §§ 330, 331, or 503 of the Bankruptcy Code.

1.3 “Administrative Claims Bar Date” means the deadline for filing proof of claims or requests for payment of Administrative Claims, which shall be thirty (30) days after the Court’s approval of the adequacy of the Disclosure Statement, unless otherwise ordered by the Bankruptcy Court, except with respect to Professional Claims.

1.4 “Affiliate” has the meaning given such term by § 101(2) of the Bankruptcy Code.

1.5 “Allowed” means, with reference to any Claim, Equity Interest or Interest and with respect to the Debtor: (a) any Claim against or Interest in the Debtor that has been listed by the Debtor in its Schedules, as such Schedules may be amended by Debtor from time to time in

1 accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent
2 and for which no contrary Proof of Claim or Interest has been Filed; (b) any Claim or Interest
3 allowed (i) under this Plan, (ii) by Final Order, or (iii) as to which the liability of the Debtor and
4 the amount thereof are determined by a final order of a court of competent jurisdiction other than
5 the Bankruptcy Court; or (c) as to which a Proof of Claim has been timely Filed in a liquidated
6 amount with the Bankruptcy Court, pursuant to the Bankruptcy Code or any order of the
7 Bankruptcy Court, or has been Filed with leave of the Bankruptcy Court after notice and a
8 hearing, provided that no objection to the allowance of such Claim or motion to expunge such
9 Claim has been interposed by any party in interest before any final date for the filing of such
10 objections or motions set forth in this Plan, the Confirmation Order or other order of the
11 Bankruptcy Court. For purposes of determining the amount of an Allowed Claim, there shall be
12 deducted therefrom an amount equal to the amount of any valid and enforceable Claim that the
13 Debtor may hold against the Holder thereof, to the extent such Claim may be validly offset,
14 recouped, or otherwise reduced under applicable law.

15 1.6 “Assets” means any and all real property of nature, including, without limitation,
16 any real estate, buildings, structures, improvements, privileges, rights, easements, leases,
17 subleases, licenses, goods, materials, supplies, furniture, fixtures, equipment, work in process,
18 inventory, accounts, chattel paper, cash, deposit accounts, reserves, deposits, contractual rights,
19 intellectual property rights, Claims, Avoidance Actions, and any other general intangibles of
20 Debtor, as the case may be, of any nature whatsoever (whether liquidated or unliquidated,
21 matured or unmatured, or fixed or contingent), including, without limitation, property of the
22 Estate within the scope of section 541 of the Bankruptcy Code.

23 1.7 “Avoidance Claims” means Causes of Action arising under §§ 510, 547, 548, 549,
24 550 and 551 (to the extent the latter two sections are applicable to the other statutory sections
25 referred to in this Article 1.6) of the Bankruptcy Code, or under similar or related state or federal
26 statutes and common law, including fraudulent transfer laws, whether or not litigation has been
27 commenced as of the Confirmation Date to prosecute such Avoidance Claims.

28 1.8 “Ballot” means each of the ballot forms that are distributed with the Disclosure

1 Statement to Claimholders or Interest holders included in Classes that are Impaired under this
2 Plan and entitled to vote to accept or reject this Plan.

3 1.9 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and
4 codified in title 11 of the United States Code, as in effect on the date hereof.

5 1.10 “Bankruptcy Court” means the United States Bankruptcy Court for the District of
6 Nevada or such other court as may have jurisdiction over the Chapter 11 Case.

7 1.11 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and the
8 Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as
9 applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of the Bankruptcy
10 Court, as applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

11 1.12 “Bar Date” means the deadline set by the Bankruptcy Court pursuant to the
12 Bankruptcy Court’s order or other Final Order for filing proofs of claim in the Chapter 11 Case.

13 1.13 “Business Day” means any day, excluding Saturdays, Sundays and “legal
14 holidays” (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for
15 business in Nevada.

16 1.14 “Cash” means cash or cash equivalents.

17 1.15 “Cash Collateral Orders” means and refers to that certain Stipulated Order for Use
18 of Cash Collateral and for Adequate Protection, filed at [ECF No.’s 66-67] and any further
19 orders for use of cash collateral entered on the Bankruptcy Court’s docket prior to Confirmation.

20 1.16 “Cash Reserve” means a reserve holding Cash for potential distribution for
21 Disputed Claims.

22 1.17 “Causes of Action” means any and all actions, proceedings, causes of action,
23 demands, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to
24 equitable remedies, rights to payment and claims, whether known, unknown, suspected or
25 unsuspected, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed,
26 contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether
27 asserted or assertable directly or derivatively, in law, equity or otherwise, including Avoidance
28 Claims and Derivative Claims, unless otherwise waived or released by the Debtor.

1 1.18 “Chapter 11 Case” means the Chapter 11 Case of the Debtor pending in the
2 Bankruptcy Court as Case No. 16-12697-mkn.

3 1.19 “Claim” means a “claim,” as defined in section 101 of the Bankruptcy Code,
4 against any Debtor.

5 1.20 “Claimholder” means a holder of interest in a Claim.

6 1.21 “Class” means a category of Claimholders or Interestholders.

7 1.22 “Confirmation Date” means the date of entry of the Confirmation Order.

8 1.23 “Confirmation Hearing” means the hearing before the Bankruptcy Court held to
9 consider confirmation of this Plan and related matters under § 1128 of the Bankruptcy Code, as
10 such hearing may be adjourned or continued from time to time.

11 1.24 “Confirmation Order” means the order entered by the Bankruptcy Court
12 confirming this Plan.

13 1.25 “Contingent Claim” means a Claim that is contingent, unmatured or unliquidated
14 on or immediately before the Confirmation Date.

15 1.26 “Creditor” means the holder of any Claim, whether or not such Claim is an
16 Allowed Claim, encompassed within the statutory definition set forth in §101(10) of the
17 Bankruptcy Code.

18 1.27 “Debtor” means Linden & Associates, P.C.

19 1.28 “DIP Account” means the account created for post-petition operations of the
20 Debtor.

21 1.29 “Disallowed Claim” or “Disallowed Interest” means a Claim or any portion
22 thereof, or an Interest or any portion thereof, that: (a) has been disallowed by a Final Order; (b) is
23 Scheduled at zero or as contingent, disputed or unliquidated and as to which a proof of claim or
24 interest bar date has been established but no proof of claim or interest has been timely filed or
25 deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any
26 Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law; or
27 (c) is not Scheduled and as to which a proof of claim or interest bar date has been set but no
28 proof of claim or interest has been timely filed or deemed timely filed with the Bankruptcy Court

1 pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise
2 deemed timely filed under applicable law.

3 1.30 “Disclosure Statement” means the written disclosure statement that relates to this
4 Plan, as approved by the Bankruptcy Court pursuant to §1125 of the Bankruptcy Code and
5 Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented
6 from time to time.

7 1.31 “Disputed Claim” or “Disputed Interest” means a claim or any portion thereof, or
8 any Interest or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, or
9 an Allowed Interest or a Disallowed Interest, as the case may be, and includes, without
10 limitation, Claims or Interests that (a) have not been Scheduled by the Debtor or have been
11 Scheduled at zero, or have been Scheduled as unknown, contingent, unliquidated or disputed and
12 are the subject of a timely filed proof of claim or interest that differs in nature, amount or priority
13 from the Schedules, or (b) are the subject of an objection filed with the Bankruptcy Court, which
14 has not been withdrawn or overruled by a Final Order of the Bankruptcy Court.

15 1.32 “Distribution” means the Cash or other Assets to be distributed to Holders of
16 Allowed Claims under this Plan.

17 1.33 “Effective Date” means the first Business Day determined by the Debtor on which
18 all conditions to the consummation of this Plan have been either satisfied or waived as provided
19 in this Plan and is the day upon which this Plan is substantially consummated.

20 1.34 “Equity Interestholders” mean the Debtor’s members holding Equity Interests in
21 the Debtor.

22 1.35 “Equity Interests” shall mean all ownership interests in the Debtor.

23 1.36 “Estate” means the bankruptcy estate of the Debtor created pursuant to section
24 541 of the Bankruptcy Code.

25 1.37 “Executory Contracts Claims Bar Date” means the last day on which Rejection
26 Claims must be filed with the Bankruptcy Court, which date shall be thirty (30) days after the
27 Effective Date.

28 1.38 “Face Amount” means: (a) when used in reference to a Disputed or Disallowed

1 Claim, the full stated liquidated amount claimed by the holder of such Claim in any proof of
2 claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final
3 Order of the Bankruptcy Court or other applicable bankruptcy law, or the amount of the Claim
4 acknowledged by the applicable Debtor in any objection Filed to such Claim or in the Schedules
5 as a noncontingent, liquidated and undisputed Claim, estimated by the Bankruptcy Court
6 pursuant to section 502(c) of the Bankruptcy Code or proposed by the Debtor or the Plan
7 Administrator and approved by the United States Trustee, if no proof of Claim has been Filed by
8 the Bar Date or has otherwise been deemed timely filed under applicable law or if the proof of
9 Claim specifies an unliquidated amount; and (b) when used in reference to an Allowed Claim,
10 the allowed amount of such Claim.

11 1.39 “File” shall mean electronically submitting a document on PACER.gov under the
12 Chapter 11 Case.

13 1.40 “Final Order” means an order or judgment, the operation or effect of which has
14 not been stayed, reversed or amended and as to which order or judgment (or any revision,
15 modification or amendment thereof) the time to appeal or seek review or rehearing has expired
16 and as to which no appeal or petition for review or rehearing was filed or, if filed, remains
17 pending.

18 1.41 “General Unsecured Claim” means a Claim that is not secured by a charge
19 against, Lien or interest in property in which the Estate has an interest and is not an
20 Administrative Claim or Priority Tax Claim. General Unsecured Claims shall also include all
21 claims arising under § 502(g).

22 1.42 “Holder” means the holder of a Claim or Equity Interest.

23 1.43 “Impaired” refers to any Claim or Interest that is impaired within the meaning of
24 § 1124 of the Bankruptcy Code.

25 1.44 “Lien” shall have the meaning set forth in § 101(37) of the Bankruptcy Code.

26 1.45 “Objection Date” means the date for Objection to the Plan, as more particularly
27 set forth in an order of the Bankruptcy Court requested by the Debtor.

28 1.46 “Person” means an individual, corporation, partnership, joint venture, association,

1 joint stock company, limited liability company, limited liability partnership, trust, estate,
2 unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy
3 Code) or other entity.

4 1.47 “Petition Date” means May 17, 2016, the date on which Debtor filed its petition
5 for relief in the Bankruptcy Court.

6 1.48 “Plan” means this plan for the orderly reorganization of the Debtor and resolution
7 of outstanding Claims and Interests in the Chapter 11 Case, as herein proposed by the Debtor
8 including all Exhibits, supplements, appendices and schedules hereto, either in their present form
9 or as the same may be further altered, amended or modified from time to time in accordance with
10 the Bankruptcy Code and Bankruptcy Rules.

11 1.49 “Plan Administrator” means the Debtor’s representative, McDonald Carano
12 Wilson LLP, charged with the duty of effectuating the Plan and disbursing the available proceeds
13 pursuant to the priority scheme set forth in the Bankruptcy Code and pursuant to this Plan.

14 1.50 “Priority Tax Claim” means any Claim against the Debtor entitled to priority in
15 payment under Section 507(a)(8) of the Bankruptcy Code.

16 1.51 “Professional” means those Persons retained in the Chapter 11 Case by orders of
17 the Bankruptcy Court pursuant to sections 327 and 1103 of the Bankruptcy Code or otherwise;
18 provided, however, that Professional does not include those Persons retained and/or compensated
19 in the ordinary course of business.

20 1.52 “Professional Fee” means an Administrative Claim of a Professional for
21 compensation for services rendered or reimbursement of costs, expenses or other charges and
22 disbursements incurred relating to services rendered or expenses incurred after the Petition Date
23 and prior to and including the Effective Date.

24 1.53 “Professional Fee Bar Date” means the deadline by which all applications for
25 compensation or expense reimbursement, including Professional Claims, must be filed, which
26 deadline shall be forty-five (45) days after the Effective Date, unless otherwise ordered by the
27 Bankruptcy Court.

28 1.54 “Pro Rata” means, at any time, the proportion that the Face Amount of a Claim in

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 a particular Class or Classes bears to the aggregate Face Amount of all Claims (including
2 Disputed Claims, but excluding Disallowed Claims) in such Class or Classes, unless the Plan
3 provides otherwise.

4 1.55 “Rejection Claim” means a Claim arising from the rejection of an Executory
5 Contract or Unexpired Lease.

6 1.56 “Released Liability” means, with respect to a given Releasor, all claims,
7 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities
8 based on any act, omission, transaction, event or other occurrence (other than rights to enforce
9 the terms of this Plan or any related document or agreement), whether known or unknown,
10 foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that arose
11 prior to the Effective Date and relate to this Plan or the Chapter 11 Case, which could have been
12 asserted by such Releasor (or on behalf of Debtor or their Estates) against any Releasee or any of
13 its Representatives.

14 1.57 “Releasee” means, collectively, all officers, directors, managers and members of
15 each of the Debtor, and all independent contractors employed by the Debtor, in each case, as of
16 the date of the commencement of the hearing on the Disclosure Statement, the Plan
17 Administrator in its capacity as such, all Professionals, the Reorganized Debtor, and with respect
18 to each of the above-named Persons, such Person’s affiliates, principals, shareholders, partners,
19 members, representatives, employees, agents, officers, directors, financial advisors, attorneys and
20 other professional and any of their respective Representatives.

21 1.58 “Releasor” means any Claimholder, party-in-interest, and their respective
22 Representatives which is or becomes the holder of a Released Liability.

23 1.59 “Reorganized Debtor” means the Debtor following on and after Effective Date.

24 1.60 “Representative” means any party acting on behalf of any Person for such
25 Person’s benefit.

26 1.61 “Retained Actions” means all Claims, Causes of Action, rights of action, suits and
27 proceedings, whether in law or in equity, whether known or unknown, which the Debtor or
28 Debtor’s Estate may hold against any Person, including, without limitation, (a) Claims and

1 Causes of Action brought prior to the Effective Date; and (b) Claims, Causes of Action brought
2 as part of an Adversary Proceeding.

3 1.62 “Scheduled” means, with respect to any Claim or Interest, the status, priority, and
4 amount, if any, of such Claim or Interest as set forth in the Schedules.

5 1.63 “Schedules” means the schedules of assets and liabilities and the statements of
6 financial affairs filed in the Chapter 11 Case by the Debtor, as such schedules or statements have
7 been or may be further modified, amended or supplemented from time to time in accordance
8 with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

9 1.64 “Secured Claims” means all Claims secured by a security interest in or a lien on
10 property in which a Debtor’s Estate has an interest or that is subject to setoff under section 553
11 of the Bankruptcy Code, to the extent of the value, as of the Effective Date or such other date as
12 is established by the Bankruptcy Court, of such Claimholder’s interest in the applicable Estate’s
13 interest in such property or to the extent of the amount subject to setoff, as applicable, as
14 determined by a Final Order of the Bankruptcy Court or as otherwise agreed upon in writing by
15 the Debtor and the Claimholder.

16 1.65 “Tax” means any income, franchise, excise, sales, use, employment, withholding,
17 property, payroll or other taxes, assessments, or governmental charges, with any interest
18 penalties, additions to tax, fines, and similar amounts related thereto, imposed, or collected by
19 any federal, state, local or foreign governmental authority.

20 1.66 “Voting Class” means any Class which is entitled to vote for acceptance or
21 rejection of the Plan.

22 1.67 “Voting Deadline” means the date established by the Bankruptcy Court by which
23 holders of Allowed Claims and Interests are determined for purposes of such Claimholders’ right
24 to submit Ballots.

25 **B. Rules of Interpretation**

26 For purposes of this Plan, unless otherwise provided herein, (a) whenever from the
27 context it is appropriate, each term, whether stated in the singular or the plural, will include both
28 the singular and the plural; (b) each pronoun stated in the masculine, feminine or neutral includes

1 the masculine, feminine and neutral; (c) unless otherwise provided in this Plan, any reference in
2 this Plan to a contract, instrument, release or other agreement or document being in a particular
3 form or on particular terms and conditions means that such document will be substantially in
4 such form or substantially on such terms and conditions; (d) any reference in this Plan to an
5 existing document or schedule filed or to be filed means such document or schedule, as it may
6 have been or may be amended, modified or supplemented pursuant to this Plan; (e) any reference
7 to an entity as a Claimholder or Equity Interestholder includes that entity's successors and
8 assigns; (f) all references in this Plan to Sections, Articles and Exhibits are references to
9 Sections, Articles and Exhibits of or to this Plan; (g) the words "herein," "hereunder" and
10 "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (h)
11 captions and headings to Articles and Sections are inserted for convenience of reference only and
12 are not intended to be a part of or to affect the interpretation of this Plan; (i) subject to the
13 provisions of any contract, certificates of incorporation, by-laws, instrument, release or other
14 agreement or document entered into in connection with this Plan, the rights and obligations
15 arising under this Plan shall be governed by, and construed and enforced in accordance with,
16 federal law, including the Bankruptcy Code and Bankruptcy Rules; and (j) the rules of
17 construction set forth in section 102 of the Bankruptcy Code will apply.

18 **C. Computation of Time**

19 In computing any period of time prescribed or allowed by this Plan, unless otherwise
20 expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply.

21 **D. Exhibits**

22 All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein
23 and, to the extent not annexed hereto, such exhibits shall be filed with the Bankruptcy Court
24 prior to the Confirmation Hearing. Copies of Exhibits can be obtained upon written request to
25 McDonald Carano Wilson LLP, 2300 West Sahara, 12th Floor, Las Vegas, Nevada 89102 (Attn:
26 Ryan J. Works, Esq.), counsel to the Debtor.
27
28

1 **ARTICLE II**

2 **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

3 **2.1. Introduction.**

4 All Claims and Interests are placed in the Classes set forth below. A Claim or Interest is
5 placed in a particular Class only to the extent that the Claim or Interest falls within the
6 description of that Class and is classified in other Classes to the extent that any portion of the
7 Claim or Interest falls within the description of such other Classes. A Claim or Interest is also
8 placed in a particular Class for the purpose of receiving Distributions pursuant to this Plan only
9 to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim has
10 not been paid, released or otherwise settled prior to the Effective Date.

11 **2.2 Unclassified Claims.**

12 (a) Administrative Claims

13 (1) *Deadline to File Administrative Claims.* The Holder of an Administrative
14 Claim, other than (i) a Professional Fee Claim, or (ii) a liability incurred and paid in the ordinary
15 course of business by the Debtor, must file with the Bankruptcy Court and serve on the Debtor
16 and its counsel, notice of such Administrative Claim on or before the Administrative Claim Bar
17 Date. Such notice must include, at minimum, (i) the name of the Holder of such Claim, (ii) the
18 basis of the Claim, and (iii) the amount of the Claim. Failure to file such notice timely and
19 properly shall result in the Administrative Expense Claim being forever barred and discharged.

20 (2) *Administrative Claims Against the Debtor.* The State of Nevada
21 Department of Taxation filed an Administrative Claim against the Debtor in the amount of
22 \$4,295.73; however, that amount has since been paid by the Debtor; thus, there are no
23 Administrative Claims Against the Debtor at present.

24 (3) *Payment Provisions.* Subject to the provisions of Bankruptcy Code
25 sections 330(a), 331 and 503(b), each Holder of an Administrative Claim shall, either: (i) be paid
26 in Cash in the Allowed amount of any such Claim, on, or as soon as reasonably practicable after,
27 the later of (A) the Effective Date, (B) the date upon which such Administrative Claim becomes
28 Allowed, or (C) such date as is otherwise agreed by the Debtor and the Holder of such Claim; or

1 (ii) receive such other treatment as is agreed to by the Holder of an Administrative Claim and the
2 Debtor.

3 (b) Professional Fee Claims.

4 (1) *Deadline to File Professional Fee Claims.* The Holder of a Professional
5 Fee Claim must file with the Bankruptcy Court, and serve on all necessary parties and their
6 counsel, a request for final payment of such Professional Fees, and reimbursement of expenses,
7 pursuant to Bankruptcy Code sections 326, 328, 330 and/or 331 and the terms of this Plan, no
8 later than forty-five (45) days after the Effective Date, unless otherwise ordered by the
9 Bankruptcy Court.

10 (2) *Payment Provisions.* Subject to the provisions of Bankruptcy Code
11 sections 330(a), 331 and 503(b), each Holder of a Professional Fee Claim shall be paid in Cash
12 in the Allowed amount of any such Professional Fee Claim on, or as soon as reasonably
13 practicable after, the later of (i) the Effective Date, (ii) the date upon which such Professional
14 Fee Claim becomes Allowed, or (iii) such date as is otherwise agreed by the Debtor and the
15 Holder of such Professional Fee Claim.

16 (c) United States Trustee Fees.

17 Notwithstanding the foregoing or anything to the contrary in this Plan, the Debtor shall
18 pay, or cause to be paid, all accrued U.S. Trustee Fees on or before the Effective Date of the
19 Plan; and following the Effective Date, the Debtor shall be responsible for timely payment of all
20 U.S. Trustee Fees until such time as the Final Decree closing this Chapter 11 Case are entered
21 and all U.S. Trustee Fees due are paid in full. The Debtor shall File with the Bankruptcy Court
22 and serve on the U.S. Trustee a quarterly financial report for each quarter (or portion thereof)
23 that the Chapter 11 Case remains open in such format as reasonably may be required by the U.S.
24 Trustee.

25 (d) Priority Tax Claims.

26 (1) *Priority Tax Claims Against the Debtor:* The Priority Tax Claims against
27 the Debtor total \$179,967.21, consisting of the following:

28 (A) Claim made by the Internal Revenue Service in the amount of

1 \$170,339.44; and

2 (B) Claim made by the State of Nevada Department of Taxation in the
3 amount of \$9,627.77.

4 (2) *Treatment:* The legal and equitable rights of the Holders of Allowed
5 Priority Tax Claims are unaltered by this Plan. Each Holder of an Allowed Priority Tax Claim
6 shall: (i) be paid twenty percent (20%) of the amount of such Claim in cash on the Effective
7 Date, and (ii) be paid the remaining amount of the Claim in monthly installments amortized over
8 a period of sixty months beginning on the date that is thirty (30) days following the Effective
9 Date and bearing interest at the mid-term applicable federal rate in effect for the month of the
10 Effective Date. Debtor shall have the right to object to the amount of any Priority Tax Claims as
11 presented by the holders of such Claims, and the payment provisions set forth above shall apply
12 to the amount the claims as finally determined among the Debtor and the Creditor.

13 Under the Plan, Holders of Allowed Priority Tax Claims against the Debtor shall not be
14 entitled to any payments on account of any post-Petition Date interest or penalty with respect to
15 or in connection with an Allowed Priority Tax Claim. Any such Claim or demand for any post-
16 Petition Date interest or penalty will be discharged upon the entry of the Confirmation Order by
17 Bankruptcy Code section 1141(d)(1), and the Allowed Priority Tax Claim Holder shall not assess
18 or attempt to collect such accrued interest or penalty from the Debtor, the Reorganized Debtor,
19 or their property.

20 **2.3 Classified Claims.**

21 (a) **Class 1: Priority Claims.**

22 (1) *Claims in Class:* Class 1 consists of Priority Claims against the Debtor.

23 (2) *Treatment:* The legal and equitable rights of the Holders of Allowed
24 Priority Claims are unaltered by this Plan. Each Holder of an Allowed Priority Claim shall,
25 either: (i) be paid the Allowed amount of such Claim in Cash on the Effective Date, (ii) have
26 such Claim assumed by Reorganized Debtor, to be paid by Reorganized Debtor in Cash in the
27 Allowed amount of any such Claim on the date on which such Claim is payable under applicable
28 law or any agreement relating thereto; or (iii) receive such other treatment as is agreed by the

1 Holder of the Allowed Priority Claim, the Debtor and the Reorganized Debtor.

2 (3) *Impairment and Voting:* Class 1 is Unimpaired and the Holders of
3 Allowed Priority Claims are conclusively deemed to have accepted this Plan, pursuant to
4 Bankruptcy Code section 1126(f). The Holders of Class 1 are not entitled to vote to accept or
5 reject this Plan.

6 (b) **Class 2: Secured Claims.**

7 (1) *Claims in Class:* There is one Secured Claim against the Debtor made by
8 the Internal Revenue Service in the amount of \$298,474.44, which consists of taxes due in the
9 amount of \$139,669.60, interest to the petition date in the amount of \$57,736.55, and penalties to
10 the petition date of \$101,068.29.

11 (2) *Treatment:* The entire amount of the Internal Revenue Service's
12 Secured Claim shall be allowed and paid under the Plan except that portion of the Secured
13 Claim consisting of penalties to the petition date. The Plan does not call for the payment of
14 amounts claimed by the Internal Revenue Service as penalties to the Petition Date as those
15 amounts are punitive in nature, are not compensation for an actual pecuniary loss and relate
16 to tax periods ending more than three years before the Petition Date. The amount of the
17 Secured Claim less the amount of the penalties to the petition date (\$197,406.15) shall be
18 the amount of the Internal Revenue Service's Allowed Secured Claim. With respect to its
19 Allowed Secured Claim, the Internal Revenue Service shall be paid the amount of the Claim in
20 monthly installments amortized over a period of sixty months beginning on the date that is thirty
21 (30) days following the Effective Date and bearing interest at the mid-term applicable federal
22 rate in effect for the month of the Effective Date. Debtor shall have the right to object to the
23 amount of any Secured Claims as presented by the holder of such Claims, and the payment
24 provisions set forth above shall apply to the amount the claims as finally determined among the
25 Debtor and the Creditor. The IRS will retain a lien against the Debtor's assets, to the extent set
26 forth in the Cash Collateral Orders, until the IRS Secured Claim is paid in full.

1 (3) *Impairment and Voting*: Class 2 is Impaired. The Internal Revenue
2 Service is entitled to vote to accept or reject the Plan, being impaired with respect to its
3 Class 2 claim.

4 (c) **Class 3: General Unsecured Claims.**

5 (1) *Claims in Class*: The Allowed General Unsecured Claims against
6 the Debtor total \$113,528.07, consisting of the following:

7 (A) Claim made by the Internal Revenue Service in the amount of
8 \$24,283.43;

9 (B) Claim made by Morgensen Incorporated in the amount of
10 \$58,275.00; and

11 (C). Claim made by Merchant Capital Group, LLC, d/b/a Greenbox
12 Capital in the amount of \$30,969.64.

13 (2) *Treatment*: Holders of Class 3 General Unsecured Claims on the
14 Effective Date shall, in full satisfaction, settlement, release and exchange for such Allowed
15 General Unsecured Claims, receive in cash an amount equal to 20 percent (20%) of their
16 Allowed General Unsecured Claims.

17 (3) *Impairment and Voting*: Class 3 is Impaired. Holders of Class 3
18 General Unsecured Claims are entitled to vote to accept or reject the Plan.

19 (e) Class 4: Equity Interest Holders.

20 (1) *Claims in Class*: Class 4 consists of all Equity Interests.

21 (2) *Treatment*: Holders of Equity Interests on the Effective Date shall
22 retain their Equity Interests.

23 (3) *Impairment and Voting*: Class 4 is Unimpaired; Holders of Class 4 are
24 not entitled to vote to accept or reject the Plan.

25 **2.4. Retention of Defenses Regarding Claims.**

26 Except as otherwise provided in this Plan nothing shall affect Debtor's rights and
27 defenses, both legal and equitable, with respect to any Claims.

28 **2.5. Voting by Impaired Classes.**

1 Members of Classes 2 and 3 are Impaired and are thus entitled to vote to reject or
2 accept this Plan.

3 **2.6. Disputed, Contingent and Unliquidated Claims and Interests.**

4 Except as otherwise provided herein, any Claim or Interest that has been or is
5 hereafter listed in the Schedules as disputed, contingent, or unliquidated, and for which no
6 Proof of Claim or Interest has been timely Filed by the Bar Date, is not considered Allowed
7 and shall be expunged without further action by the Debtor and without any further notice to
8 or action, order, or approval of the Bankruptcy Court.

9 **ARTICLE III**

10 **ACCEPTANCE OR REJECTION OF THIS PLAN**

11 **3.1. Summary of Classes Voting on this Plan.**

12 (a) Impaired Classes of Claims Entitled to Vote. Except as otherwise provided in
13 Orders of the Bankruptcy Court pertaining to solicitation of votes on this Plan, holders of
14 Allowed Claims in each Impaired Class are entitled to vote in their respective classes as a class
15 to accept or reject the Plan.

16 (b) Classes of Claims Not Entitled to Vote. Classes 1 and 4 are Unimpaired and are
17 not entitled to vote under this Plan because such classes are deemed to accept this Plan.

18 **3.2 Acceptance by an Impaired Class.**

19 In accordance with Bankruptcy Code section 1126(c) and except as provided in
20 Bankruptcy Code section 1126(e), an Impaired Class of Claims shall be deemed to have accepted
21 this Plan if this Plan is accepted by the Claimholders of at least two-third (2/3) in dollar amount
22 and more than one-half (1/2) in number of the Allowed Claims of such Class that have timely
23 and properly voted to accept or reject this Plan.

24 **3.3 Nonconsensual Confirmation Under Section 1129(b) of the Bankruptcy Code.**

25 If any Impaired Class of Claims entitled to vote should not accept this Plan by the
26 requisite statutory majorities provided in section 1126(c) of the Bankruptcy Code, Debtor
27 reserves the right to request that the Bankruptcy Court confirm this Plan under section 1129(b) of
28 the Bankruptcy Code.

1 **3.4. Tabulation of Votes.**

2 The Plan Administrator will tabulate all votes on this Plan for the purpose of determining
3 whether this Plan satisfies Bankruptcy Code sections 1129(a)(8) and (10).

4 **ARTICLE IV**

5 **EXECUTORY CONTRACTS AND LEASES**

6 **4.1 Executory Contracts and Unexpired Leases.**

7 On the Effective Date of the Plan, the Debtor will be deemed to have assumed or rejected
8 its executory contracts a list of which will be filed as an exhibit on or before the hearing on the
9 Disclosure Statement. Any contracts or leases which are not listed in the attached exhibit shall
10 be deemed rejected as of the Effective Date of the Plan.

11 **4.2 Designation of Executory Contracts to be Assumed and Assigned.**

12 To the extent that any Claimholder elects to be assigned any of the Debtor's executory
13 contracts or unexpired leases, such Claimholder must notify and inform the Debtor, by writing to
14 its counsel, no later than five business days prior to the Confirmation Hearing of those executory
15 contracts that the Claimholder would have designated as assumed and assigned contracts.

16 **4.3 Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.**

17 (a) On or prior to the Confirmation Hearing date, for those assumed contracts that are
18 assigned to a Claimholder who elects assignment pursuant to Article 4.2 of this Plan, the Cure
19 Amount, if any, owed to the non-Debtor parties to such assumed contracts shall be made by the
20 Claimholder.

21 (b) If a counterparty objects to any cure or any other matter related to assumption and
22 assignment, the Bankruptcy Court shall determine the Allowed amount of such cure and any
23 related issues. If there is a dispute regarding such cure, the ability of the Claimholder to provide
24 "adequate assurance of future performance" within the meaning of Bankruptcy Code section
25 365, or any other matter pertaining to assumption, then cure shall occur as soon as reasonably
26 practicable after entry of an order resolving such dispute, approving such assumption (and, if
27 applicable, assignment), or as may be otherwise agreed upon. Any counterparty to an Assumed
28 Contract that fails to object timely to the proposed assumption and assignment of any such

1 contract or unexpired lease will be deemed to have consented to such assumption and
2 assignment.

3 (c) Assumption of any assumed contract pursuant to this Plan or otherwise shall
4 result in the full release and satisfaction of any Claims or defaults, whether monetary or
5 nonmonetary, including defaults with respect to provisions restricting the change in control or
6 ownership interest composition or other bankruptcy-related defaults, arising under any assumed
7 contract at any time prior to the effective date of assumption and assignment. Any Proofs of
8 Claim Filed with respect to an assumed contract that has been assumed shall be deemed
9 disallowed and expunged, without further notice to or action, order, or approval of the
10 Bankruptcy Court.

11 (d) If an objection to assignment or cure amount is sustained by the Bankruptcy
12 Court, the Debtor in its sole option, may elect to reject such executory contract or unexpired
13 lease in lieu of assuming and assigning it.

14 **4.4 Rejection of Executory Contracts.**

15 Entry of the Confirmation Order shall, subject to and upon the occurrence of the
16 Effective Date, constitute the approval, pursuant to Bankruptcy Code sections 365(a) and
17 1123(b)(2), of the rejection of all executory contracts and unexpired leases other than the
18 assumed and assigned contracts set forth herein.

19 Any holder of a Claim whose Claim arises from the rejection of an executory contract or
20 unexpired lease with the Debtor shall have the rights of a holder of a General Unsecured Claim
21 and shall receive the treatment provided to Holders of Class 3 General Unsecured Claims as set
22 forth in this Plan.

23 **4.5 Filing of Rejection Claims.**

24 Any Person or Entity who believes they are entitled to assert a Claim against the Debtor
25 by virtue of the rejection of an executory contract or unexpired lease may File a Claim with the
26 Clerk of the Bankruptcy Court not later than thirty (30) days after the date of any such rejection
27 or such later time as ordered by the Bankruptcy Court. If such Claim is not so Filed, it shall be
28 forever barred from assertion against the Debtor or a Claimholder by assignment. Nothing in

1 this Section 4.5 shall affect the right of any party-in-interest to object to any Claim, which has
2 been improperly Filed or not Filed on a timely basis.

3 **4.6 Modifications, Amendments, Supplements, Restatements, or Other Agreements.**

4 Unless otherwise provided in a supplement to this Plan, any contract that is assumed and
5 assigned shall include all modifications, amendments, supplements, restatements, or other
6 agreements that in any manner affect such assumed contract, and all executory contracts and
7 unexpired leases related thereto, if any, including all easements, licenses, permits, rights,
8 privileges, immunities, options, rights of first refusal, and any other interests, unless any of the
9 foregoing agreements has been previously rejected or repudiated or is rejected or repudiated
10 under this Plan.

11 Modifications, amendments, supplements, and restatements to pre-petition executory
12 contracts and unexpired leases that have been executed by the Debtor during the Chapter 11 Case
13 shall not be deemed to alter the pre-petition nature of the executory contract or unexpired lease,
14 or the validity, priority, or amount of any Claims that may arise in connection therewith.

15 **4.7 Reservation of Rights.**

16 Nothing contained in this Plan, shall constitute an admission by the Debtor that any such
17 contract or lease is in fact an executory contract or unexpired lease or that the Debtor has any
18 liability thereunder. If there is a dispute regarding whether a contract or lease is or was
19 executory or unexpired at the time of assumption or rejection, the Debtor shall have thirty (30)
20 days following entry of a Final Order resolving such dispute to alter their treatment of such
21 contract or lease.

22 **ARTICLE V**

23 **PLAN IMPLEMENTATION**

24 **5.1. General Terms.**

25 This Plan shall be implemented in all respects in a manner that is consistent with the
26 terms and conditions of this Plan and the requirements of section 1123(a) and other applicable
27 provisions of the Bankruptcy Code.

28 (a) Issuance of Equity Interests. On the Effective Date, Dr. Linden will retain his

1 Equity Interests. The Reorganized Debtor Operating Agreement shall prohibit the issuance of
2 non-voting securities or any other securities inconsistent with 11 U.S.C. § 1123(a)(6). The
3 issuance of securities pursuant to this Plan will be exempt from any securities laws registration to
4 the fullest extent permitted by Section 1145 of the Bankruptcy Code.

5 **5.3. Disposition of Assets, Properties and Equity Interests.**

6 (a) Reorganized Debtor. On the Effective Date (as more fully set forth in Article XI
7 of this Plan), without any further action, the Reorganized Debtor will be vested with all Assets,
8 free and clear of all Claims, Liens and Encumbrances (except for Liens provided or authorized
9 pursuant to this Plan).

10 (b) Secured Creditors. On or after the Effective Date (as applicable), and in
11 accordance with the Confirmation Order, any Claims and Liens not provided for and/or
12 specifically addressed under the Plan, including, but not limited to, Liens of record for Claims,
13 which are disputed based upon such Claims being reflected in the Debtor's books and records as
14 having been paid and satisfied and for which no proof of claim has been filed, shall be deemed
15 satisfied and shall be discharged of record.

16 **5.4. Assumption of Liabilities.**

17 On the Effective Date, unless such Claims shall be paid on or prior to such date,
18 Reorganized Debtor shall be deemed to have assumed any Claim that is an Administrative
19 Claim, a Priority Tax Claim or a Priority Claim (including any such Claims that are Disputed
20 Claims or with respect to which any applicable period for asserting a Claim has not expired).

21 **5.5. Corporate Actions.**

22 (a) Adoption of Reorganized Debtor Operating Agreement. On the Effective Date
23 and without further order of the Bankruptcy Court or need for corporate approval, the
24 Reorganized Debtor Bylaws shall supersede and replace all other corporate agreements and
25 bylaws previously governing the Debtor.

26 (b) Renaming Reorganized Debtor and Authority to Execute Operative Documents.

27 The Confirmation Order shall, among other things, constitute an Order authorizing the
28 managers, officers, and agents of the Reorganized Debtor to execute and deliver the Operative

1 Documents, as applicable (to the extent they have not already been executed and delivered),
2 including without limitation all documents necessary to, on or prior to the Effective Date, rename
3 the Reorganized Debtor without requiring any further corporate authorizations and
4 notwithstanding the requirements under any applicable non-bankruptcy law.

5 (c) Good Faith and Non Avoidability. The Confirmation Order shall, among other
6 things, provide that: (1) the Debtor and the Reorganized Debtor have acted in good faith; and (2)
7 the Distributions shall not be subject to avoidance, turnover or disgorgement in any subsequent
8 insolvency proceeding by any Person or Entity.

9 **5.6. Management.**

10 It is anticipated that the Reorganized Debtor will be managed by David Linden, M.D.,
11 the sole physician and sole-shareholder of Linden & Associates P.C.

12 **5.7. Exemption from Certain Transfer Taxes and Further Transactions.**

13 Pursuant to 11 U.S.C. § 1146(a), the issuance or exchange of any security, or the making
14 or delivery of any instrument of transfer under, in furtherance, or in connection with this Plan,
15 including, but not limited to, any deeds, bills of sale, assignments or other instruments of transfer
16 (including those with respect to the Properties), shall not be subject to any stamp tax, real estate
17 transfer tax or similar tax.

18 **5.8. Final Decree.**

19 The Reorganized Debtor shall not request entry of the Final Decree with respect to this
20 Chapter 11 Case, unless and until:

21 (a) All adversary proceedings and contested matters pending before the Bankruptcy
22 Court have been resolved by a Final Order;

23 (b) All Claims have either: (1) become Allowed Claims and have been paid in
24 accordance with the treatment to be given such Allowed Claim pursuant to this Plan; (2) been
25 disallowed by a Final Order or deemed to be a Disallowed Claim, in accordance with the terms
26 of this Plan; (3) been assumed by Reorganized Debtor, or (4) reinstated; and

27 (c) All Distributions to be made to Holders of Allowed Claims shall have been made
28 by the Plan Administrator, in accordance with the requirements of this Plan.

1 **5.9. Effectuating Documents, Further Transactions.**

2 On and after the Effective Date, the Reorganized Debtor and its agents, officers and
3 members thereof, are authorized to and may issue, execute, deliver, file, or record such contracts,
4 securities, instruments, releases, and other agreements or documents and take such actions as
5 may be necessary or appropriate to effectuate, implement, and further evidence the terms and
6 conditions of this Plan in the name of and on behalf of Debtor, as applicable, without the need
7 for any approvals, authorizations, or consents except for those expressly required pursuant to this
8 Plan.

9 **5.10. Post Effective Date Fees and Expenses.**

10 (a) From and after the Effective Date, the Plan Administrator shall pay all Post
11 Effective Date Fees without the necessity of any approval by the Bankruptcy Court.

12 (b) In order to seek payment of Post Effective Date Fees, each respective Professional
13 will send its invoice to the Reorganized Debtor and Plan Administrator, and the Reorganized
14 Debtor shall have ten (10) business days thereafter within which to notify the Professional and
15 the Plan Administrator in writing that it objects to the invoice. If no objection is made within
16 that time frame, Plan Administrator or Reorganized Debtor (as applicable) shall pay the invoice
17 within thirty (30) days thereafter. In the event the Reorganized Debtor objects and the parties are
18 unable to resolve the objection, the Professional may bring the matter before the Bankruptcy
19 Court on a motion for determination.

20 **ARTICLE VI**

21 **PROVISIONS CONCERNING PLAN DISTRIBUTIONS**

22 **6.1. Distributions on Account of Claims Allowed as of the Effective Date.**

23 Distributions under this Plan on account of Claims Allowed on or before the Effective
24 Date shall be made on the Effective Date, or on the first date thereafter as is reasonably
25 practicable.

26 **6.2. Distributions on Account of Claims Allowed After the Effective Date.**

27 (a) Payments and Distributions on Disputed Administrative and Priority Claims. In
28 the event that there are Disputed Administrative Claims or Disputed Priority Claims requiring

1 adjudication and resolution and such Claims have not become Allowed or Disallowed prior to
2 the Effective Date, then the obligation to satisfy such Claims shall be from the Cash Reserve
3 which are held for same, but to the extent there are no available Cash Reserve from which to pay
4 such Claim, the obligation to satisfy such Claims will be assumed by Reorganized Debtor,
5 subject to Allowance or Disallowance by the Bankruptcy Court. Except as otherwise provided in
6 this Plan, or Final Order, any Disputed Administrative Claim or Disputed Priority Claim that
7 becomes Allowed after the Effective Date shall be satisfied from the Cash Reserve or performed
8 by Reorganized Debtor in the ordinary course of business in accordance with the terms and
9 conditions of any controlling agreements, course of dealing, course of business, or industry
10 practice.

11 (b) Special Rules for Distributions to Holders of Disputed Claims. Except as
12 otherwise provided in this Plan and except as otherwise agreed by the relevant parties: (1) no
13 partial payments and no partial Distributions shall be made with respect to a Disputed Claim
14 until all such disputes in connection with such Disputed Claim have been resolved by settlement
15 or Final Order, and (2) any Person that holds both an Allowed Claim and a Disputed Claim shall
16 not receive any Distribution on the Allowed Claim unless and until all objections to the Disputed
17 Claim have been resolved by settlement or Final Order and the Claims have been Allowed.

18 **6.3. Manner of Payment Under this Plan.**

19 (a) Cash Distributions. Distributions of Cash to be made by the Plan Administrator
20 pursuant to this Plan shall be made, at the discretion of the Plan Administrator, by check drawn
21 on the Plan Administrator's bank account or by wire transfer from a domestic bank.

22 (b) Whole Dollars. Any other provision of this Plan to the contrary notwithstanding,
23 no payments of cents will be made. Whenever any payment of cents would otherwise be called
24 for, the actual payment may reflect a rounding of such fraction to the nearest whole dollar (up or
25 down).

26 **6.4. Escheat.**

27 Holders of Allowed Claims shall have three (3) months from the check date to negotiate
28 Distribution checks issued by the Plan Administrator under the terms of this Plan, otherwise

1 payment on such checks may at the Plan Administrator's sole discretion be stopped and the
2 funds shall escheat to the Plan Administrator and shall be promptly distributed to Reorganized
3 Debtor (in accordance with Bankruptcy Code section 347).

4 **6.5. Delivery of Distributions.**

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

13 (b) Plan Administrator. The Plan Administrator shall make all Distributions required
14 under this Plan.

15 (c) Delivery of Distributions in General. Except as otherwise provided in this Plan,
16 and notwithstanding any authority to the contrary, Distributions to all Holders of Allowed
17 Claims shall be made to Holders of record as of the Distribution Record Date by the Plan
18 Administrator: (1) in accordance with Federal Rule of Civil Procedure 4, as modified and made
19 applicable by Bankruptcy Rule 7004; (2) to the signatory set forth on any of the Proofs of Claim
20 Filed by such Holder or other representative identified therein (or at the last known addresses of
21 such Holder if no Proof of Claim is Filed or if Debtor has been notified in writing of a change of
22 address); (3) at the addresses set forth in any written notices of address changes delivered to the
23 Debtor after the date of any related Proof of Claim; (4) at the addresses reflected in the
24 Schedules if no Proof of Claim has been Filed and the Plan Administrator has not received a
25 written notice of a change of address; or (5) on any counsel that has appeared in the Chapter 11
26 Case on the Holder's behalf. Except as otherwise provided in this Plan, Distributions under this
27 Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like
28 legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the

1 Distributions in the manner set forth in this Plan. Absent willful misconduct or gross negligence,
2 the Plan Administrator, the Debtor, the Reorganized Debtor, and any representative, agent or
3 officer of the such parties, as applicable, shall not incur any liability on account of any
4 Distributions made under this Plan.

5 **6.6 Returned Distributions.**

6 In the case of Distributions to the Holders of Allowed Claims that are returned to the Plan
7 Administrator due to an incorrect or incomplete address, the Plan Administrator shall retain any
8 such returned Distribution in a segregated account established by the Plan Administrator to keep
9 track of any returned Distributions. Unless the Holder of the Allowed Claim relating to any such
10 returned Distribution contacts the Plan Administrator (or its designee) within three (3) months
11 from the date on which such Distribution was returned and provides the Plan Administrator (or
12 its designee) with acceptable proof of identity and an accurate address, such Holder shall forfeit
13 all rights thereto, and to any and all future Distributions or rights under this Plan. In such event,
14 the Claim for which such Distributions were issued shall be treated as a Disallowed Claim and
15 the Distribution on account of such Disallowed Claim shall promptly be distributed to the
16 Reorganized Debtor.

17 **6.7 Disputed Distributions.**

18 In the event of any dispute between or among Holders of Claims as to the right to any
19 Holder of a Claim to receive or retain any Distribution to be made to such Holder under this
20 Plan, the Plan Administrator, in lieu of making such Distribution to such Holder, may make it
21 instead into an escrow account for payment as ordered by the Bankruptcy Court or as the
22 interested parties to such dispute may otherwise agree among themselves. Any such Holder who
23 fails to raise such dispute by filing an appropriate request for relief with the Bankruptcy Court
24 prior to the issuance of such disputed Distribution by the Plan Administrator shall be deemed to
25 have forever waived any right to dispute such Distribution or to enjoin, impair or otherwise
26 restrict the use of any such Distribution.

27 **6.8 Setoffs.**

28 The Plan Administrator may, but shall not be required to, setoff against any Distributions

1 to be made pursuant to this Plan to a Holder of an Allowed Claim, Claims of any nature
2 whatsoever that Debtor may have, or may have had, against such Holder that have not been
3 previously released, but neither the failure to do so, nor the allowance of any Claim held by such
4 Holder shall constitute a waiver or release by the Plan Administrator of any such Claim Debtor
5 may have, or may have had, against such Holder.

6 **6.9 Withholding Taxes.**

7 The Plan Administrator shall be entitled to deduct any applicable federal or state
8 withholding taxes from any payments made with respect to Allowed Claims, as appropriate, and
9 shall otherwise comply with Bankruptcy Code section 346.

10 **6.10 Allocation of Distributions.**

11 Distributions on account of Allowed Claims shall, for tax purposes, be treated as
12 allocated first to principal, and thereafter to interest only to the extent that the entire principal
13 amount has been recovered, if applicable.

14 **ARTICLE VII**

15 **PROCEDURES FOR RESOLVING DISPUTED CLAIMS**

16 **7.1 Objection to and Resolution of Claims.**

17 Except as to applications for allowance of compensation and reimbursement of expenses
18 under Bankruptcy Code sections 330, 331 and/or 503, the Reorganized Debtor shall, on and after
19 the Effective Date, have the exclusive right to make and file objections to Claims ("Disputed
20 Claims"). On and after the Effective Date, the Reorganized Debtor shall have the authority to
21 compromise, settle, otherwise resolve or withdraw any objections to any Claims and
22 compromise, settle or otherwise resolve Disputed Claims without approval of the Bankruptcy
23 Court. Unless otherwise ordered by the Bankruptcy Court, the Debtor and, on and after the
24 Effective Date, the Reorganized Debtor, shall file all objections to Claims that are the subject of
25 proofs of Claim or requests for payment filed with the Bankruptcy Court (other than applications
26 for allowances of compensation and reimbursement of expenses with respect to Professional Fee
27 Claims) and serve such objections upon the Holder of the Claim as to which the objection is
28 made as soon as is practicable, but in no event later than one (1) year after the Effective Date or

1 such later date as may be approved by the Bankruptcy Court.

2 **7.2. Payments.**

3 Payments and Distributions to each Holder of a Disputed Claim that ultimately becomes
4 an Allowed Claim shall be made in accordance with the provision of this Plan with respect to the
5 Class of Creditors to which the respective Holder of an Allowed Claim belongs. Without limiting
6 the generality of the foregoing, the Debtor shall not be required to object to any Claim
7 irrespective of whether such Claim is Allowed or Disputed, whether in whole or in part.

8 **7.3. Contingent Claims.**

9 Until such time as a Contingent Claim or a contingent portion of an Allowed Claim
10 becomes fixed or absolute or is Disallowed, such Claim will be treated as a Disputed Claim for
11 all purposes related to Distributions under the Plan. The Holder of a Contingent Claim will only
12 be entitled to a Distribution under the Plan when and if such Contingent Claim becomes an
13 Allowed Claim.

14 **7.4. Personal Injury Claims.**

15 All objections to Claims Filed for personal injury tort damages, if any, shall be
16 determined by the United States District Court for the District of Nevada.

17 **7.5. Estimation of Claims.**

18 The Debtor, prior to the Effective Date, and the Reorganized Debtor, after the Effective
19 Date, shall be permitted, at any time, to request that the Bankruptcy Court estimate any
20 contingent or unliquidated Claim pursuant to section Bankruptcy Code 502(c), regardless of
21 whether the Debtor previously had objected to such Claim or whether the Bankruptcy Court had
22 ruled on such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim
23 at any time during any litigation concerning any objection to such Claim, including during the
24 pendency of any appeal relating to such objection. In the event that the Bankruptcy Court
25 estimates any contingent or unliquidated Claim, the amount so estimated shall constitute either
26 the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by
27 the Bankruptcy Court. If such estimated amount constitutes a maximum limitation on the
28 amount of such Claim, the Debtor may elect to pursue any supplemental proceedings to object to

1 the allowance of such Claim.

2 **7.6. Reserve for Disputed Claims.**

3 On and after the Effective Date, the Plan Administrator shall hold in segregated reserve
4 accounts (the "Cash Reserve"), Cash in an aggregate amount sufficient to make Distributions to
5 each Holder of a Disputed Claim at the time Distributions are made in the amount that such
6 Holder would have been entitled to receive if such Claim had been an Allowed Claim on the
7 Effective Date. Nothing contained herein shall be deemed to entitle the Holder of a Disputed
8 Claim to post-Petition Date interest on such Claim. Any funds remaining in the Cash Reserve
9 after all Distributions on account of Disputed Claims which have become Allowed have been
10 made shall be promptly distributed to Reorganized Debtor. A Cash Reserve shall not be required
11 if it is determined that no Disputed Claims exist, as of the Effective Date of the Plan.

12 **ARTICLE VIII**

13 **RESERVATION OF RIGHTS PENDING CONFIRMATION AND EFFECTIVE DATE**

14 **8.1. Rights If Plan Not Confirmed or Effective Date Does Not Occur.**

15 (a) Reservation of Rights. The Debtor reserves the right to revoke or withdraw this
16 Plan prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtor
17 revokes or withdraws this Plan, or if Confirmation of this Plan or the Effective Date does not
18 ultimately occur, then: (1) this Plan shall be null and void in all respects; (2) any settlement or
19 compromise embodied in this Plan (including the fixing or limiting to an amount certain of any
20 Claim or Class of Claims), assumption or rejection of executory contracts or unexpired leases
21 effected by this Plan, and any document or agreement executed pursuant to this Plan, shall be
22 deemed null and void; and (3) nothing contained in this Plan shall: (i) constitute a waiver or
23 release of any Claims or Interests by or against the Debtor or any Person or Entity; (ii) prejudice
24 in any manner the rights of the Debtor or any other Person or Entity in any further proceedings
25 involving the Debtor; or (iii) constitute an admission, acknowledgment, offer, or undertaking of
26 any sort by the Debtor, the Proponents, or any other Person or Entity.

27 (b) No Admissions or Waiver. Without limiting the generality of any similar
28 provision in this Plan, notwithstanding anything in the Plan to the contrary, nothing contained in

1 the Plan, any plan supplements or in the Disclosure Statement shall be deemed an admission by
2 the Debtor or any Person with respect to any matter set forth herein. If Confirmation of this Plan
3 or the Effective Date does not ultimately occur, no statement contained in the Plan, any plan
4 supplements or in the Disclosure Statement may be used or relied on in any manner in any suit,
5 action, proceeding or controversy within or outside of the Chapter 11 Case against the Debtor or
6 any other Person. Without in any way limiting the provisions set forth in this Section 8.1, the
7 Debtor reserves any and all of their rights as against all Persons in the event Confirmation of this
8 Plan or the Effective Date does not ultimately occur.

9 **8.2 Term of Bankruptcy Injunction or Stays.**

10 All injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of
11 the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in
12 full force and effect until the Effective Date unless the Bankruptcy Court shall order otherwise.

13 **ARTICLE IX**

14 **CONDITIONS TO EFFECTIVE DATE**

15 **9.1. Conditions to Occurrence of Effective Date.**

16 Each of the following are conditions to be met on or before the Effective Date, which
17 conditions must be satisfied or waived in writing by the Debtor or Reorganized Debtor:

18 (a) The Confirmation Order shall be entered by the Bankruptcy Court and shall have
19 become a Final Order;

20 (b) The required amount of funds have been paid and turned over to the Plan
21 Administrator for Distribution in accordance with this Plan;

22 (c) The Reorganized Debtor assumes all contracts and leases which this Plan dictates
23 are to be assumed;

24 (d) To the extent the Allowed Administrative Claims, Allowed Priority Tax Claims
25 and Allowed Priority Claims are not satisfied in full, the Reorganized Debtor will assume or will
26 pay the remaining amounts unless otherwise agreed by the Holders of such; and

27 (e) Any outstanding U.S. Trustee Fees shall have been paid in full.

28 Any condition precedent for the occurrence of the Effective Date set forth in Section 9.1

1 of this Plan may be waived by the Debtor, if such waiver occurs before Confirmation, or the
2 Reorganized Debtor, if such waiver occurs after Confirmation, in its sole discretion, without
3 notice, leave, or order of the Bankruptcy Court or any other formal action.

4 **ARTICLE X**

5 **RETENTION OF JURISDICTION**

6 **10.1. Retention of Jurisdiction.**

7 Except to the extent otherwise expressly set forth herein, the Bankruptcy Court shall
8 retain jurisdiction of the Chapter 11 Case following the Confirmation Date for the following
9 purposes, it being expressly intended that such retention of jurisdiction shall in all cases hereafter
10 set forth, extend to any actions or proceedings commenced prior or subsequent to the
11 Confirmation Date and/or the Effective Date whether by the Debtor, the Reorganized Debtor or
12 the parties specified herein:

13 (a) To hear and determine any objections to the allowance of Claims, including any
14 objections by Reorganized Debtor with respect to any Claims which have been reinstated or
15 assumed in accordance with the terms of this Plan;

16 (b) To determine any and all applications for compensation for any Professionals and
17 similar fees to the extent made specifically subject to a hearing under this Plan and applicable
18 provisions of the Bankruptcy Code;

19 (c) To determine any and all applications for the rejection or assumption and
20 assignment of executory contracts or for the rejection or assumption and assignment, as the case
21 may be, of unexpired leases to which the Debtor is a party or with respect to which it may be
22 liable, and to hear and determine, and if need be to liquidate, any and all Claims arising
23 therefrom;

24 (d) To modify this Plan pursuant to Bankruptcy Code section 1127 or to remedy any
25 defect or omission or reconcile any inconsistency in the Confirmation Order to the extent
26 authorized by the Bankruptcy Code;

27 (e) To hear and determine all controversies, suits and disputes, if any, as may arise in
28 connection with the interpretation or enforcement of this Plan;

1 (f) To hear and determine all controversies, suits and disputes, if any, as may arise
2 with regard to orders of this Bankruptcy Court entered in the Chapter 11 Case;

3 (g) To adjudicate all controversies concerning the classification of any Claim;

4 (h) To liquidate damages in connection with any disputed, contingent or unliquidated
5 Claim;

6 (i) To adjudicate all Claims to a security or ownership interest in any of the Assets,
7 or in any proceeds thereof,

8 (j) To adjudicate all Claims or controversies arising out of any purchases, sales or
9 contracts made or undertaken by the Debtor;

10 (k) To determine all questions and disputes regarding recovery of and entitlement to
11 any Assets of the Debtor, or in any proceeds thereof;

12 (l) To adjudicate all Causes of Action with respect to which the Debtor and/or the
13 Reorganized Debtor are a party, whether or not such Claim or controversy is raised or filed
14 before or after the Effective Date;

15 (m) To determine issues and disputes concerning entitlement to Distributions to be
16 made under and pursuant to this Plan;

17 (n) To enter any order, including injunctions, necessary to enforce the title, rights and
18 powers of the Debtor and/or the Reorganized Debtor, or the rights of any Person hereunder and
19 to impose such limitations, restrictions, terms and conditions on such title, rights and powers as
20 the Bankruptcy Court may deem necessary or appropriate;

21 (o) To determine such other matters as may be provided for in the Confirmation
22 Order and this Plan, or as may from time to time be authorized under the provisions of the
23 Bankruptcy Code or any other applicable law;

24 (p) To enter a Final Decree closing the Chapter 11 Case;

25 (q) To enforce the provisions of any Administrative Claim Bar Date entered by the
26 Bankruptcy Court;

27 (r) To make such orders as are necessary or appropriate to carry out the provisions of
28 this Plan, including but not limited to orders interpreting, clarifying or enforcing the provisions

1 thereof;

2 (s) Without limiting the generality of any of the foregoing, to hear and determine
3 matters concerning state, local, and federal taxes in accordance with Bankruptcy Code sections
4 345, 505, and 1146.

5 **10.2. Jurisdiction Unaffected.**

6 The occurrence of the Effective Date and/or the entry of a Final Decree shall not divest
7 the Bankruptcy Court of any jurisdiction otherwise retained under this Article X or the
8 Confirmation Order.

9 **10.3. Failure of Bankruptcy Court to Exercise Jurisdiction.**

10 If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction, or is
11 otherwise without jurisdiction over any matter arising under, arising in or related to the
12 Bankruptcy Case, including any of the matters set forth in the Plan, the Plan shall not prohibit or
13 limit the exercise of jurisdiction by any other court of competent jurisdiction with respect to such
14 matter.

15 **ARTICLE XI**

16 **EFFECT OF CONFIRMATION OF PLAN**

17 **11.1 Discharge**

18 IN CONJUNCTION WITH BANKRUPTCY CODE SECTION 1141, EXCEPT AS
19 OTHERWISE PROVIDED FOR IN THE PLAN, THE RIGHTS AFFORDED IN THE PLAN
20 AND THE TREATMENT OF ALL CLAIMS AND EQUITY INTERESTS IN THE PLAN
21 SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION, DISCHARGE
22 AND RELEASE OF CLAIMS AND EQUITY INTERESTS OF ANY NATURE
23 WHATSOEVER AGAINST THE DEBTOR, AND OF THE ASSETS OR PROPERTIES OF
24 THE ESTATE, INCLUDING ANY INTEREST ACCRUED ON SUCH CLAIMS FROM AND
25 AFTER THE PETITION DATE AND ANY PROPERTIES TRANSFERRED TO SECURED
26 LENDERS.

27 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS
28 PROVIDED IN THE CONFIRMATION ORDER, CONFIRMATION WILL DISCHARGE

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 THE DEBTOR AND THE REORGANIZED DEBTOR FROM ALL CLAIMS, OR OTHER
2 DEBTS THAT AROSE BEFORE THE EFFECTIVE DATE, AND ALL DEBTS OF THE
3 KIND SPECIFIED IN SECTIONS 502(G), 502(H) OR 502(I) OF THE BANKRUPTCY
4 CODE, WHETHER OR NOT: (X) A PROOF OF CLAIM BASED ON SUCH A DEBT HAS
5 BEEN FILED, OR DEEMED TO HAVE BEEN FILED, UNDER BANKRUPTCY CODE
6 SECTIONS 501 OR 1111(A); (Y) A CLAIM BASED ON SUCH DEBT IS ALLOWED
7 UNDER BANKRUPTCY CODE SECTION 502 OF THE BANKRUPTCY CODE; OR (Z)
8 THE HOLDER OF A CLAIM BASED ON SUCH DEBT HAS ACCEPTED THE PLAN.

9 EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, (I) ON THE EFFECTIVE
10 DATE, ALL CLAIMS AGAINST THE DEBTOR WHICH AROSE BEFORE THE
11 EFFECTIVE DATE SHALL BE SATISFIED, DISCHARGED AND RELEASED IN FULL,
12 (II) AND ALL PERSONS SHALL BE PRECLUDED FROM ASSERTING AGAINST THE
13 DEBTOR, THE REORGANIZED DEBTOR, ANY SECURED LENDER THAT IS A
14 TRANSFEREE OF A PROPERTY, OF THEIR SUCCESSORS, OR ANY OF THEIR ASSETS
15 OR PROPERTIES, ANY OTHER OR FURTHER CLAIMS BASED UPON ANY ACT OR
16 OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT
17 OCCURRED BEFORE THE EFFECTIVE DATE, AS WELL AS ANY DEBT OF A KIND
18 SPECIFIED IN BANKRUPTCY CODE SECTIONS 502(G), 502(H), OR 502(I),
19 IRRESPECTIVE OF WHETHER (X) A PROOF OF CLAIM BASED ON SUCH A DEBT
20 HAS BEEN FILED, OR DEEMED TO HAVE BEEN FILED, UNDER BANKRUPTCY CODE
21 SECTIONS 501 OR 1111(a), (Y) SUCH CLAIM IS ALLOWED UNDER BANKRUPTCY
22 CODE SECTION 502, OR (Z) THE HOLDER OF THE CLAIM HAS ACCEPTED THE
23 PLAN.

24 **11.2 Injunctions**

25 (a) Injunction Against Releasors. All of the Releasors, along with any of their
26 successors or assigns, are permanently enjoined, from and after the Effective Date, from (1)
27 commencing or continuing in any manner any action or other proceeding of any kind against the
28 Releasees or any of their respective Representatives in respect of any Released Liabilities; (2)

1 enforcing, attaching, collecting or recovering by any manner or means of any judgment, award,
2 decree or order against the Releasees or any of their respective Representatives in respect of any
3 Released Liabilities; (3) creating, perfecting, or enforcing any encumbrance of any kind against
4 any property in the possession, custody or control of the Releasees or any of their respective
5 Representatives with respect to any Released Liabilities; or (4) asserting any right of setoff,
6 subrogation or recoupment of any kind against any obligation due from the Releasees or any of
7 their respective Representatives or against the property or interests in property of the Releasees
8 or any of their respective Representatives, with respect to any Released Liabilities; provided,
9 however, that nothing contained herein shall preclude such Releasors from exercising their
10 rights pursuant to and consistent with the terms hereof and the contracts, instruments, releases
11 and other agreements and documents delivered under or in connection with this Plan; provided,
12 further, that nothing contained herein shall be deemed to enjoin any Releasor from taking any
13 action against any Releasee or any of its Representatives based on the release exceptions
14 contained in Section 11.4 of this Plan.

15 (b) Injunction Protecting Exculpation of Releasees and Debtor. All Claimholders and
16 any other parties-in-interest, along with any of their Representatives and any of their successors
17 or assigns are permanently enjoined, from and after the Effective Date, from (1) commencing or
18 continuing in any manner any action or other proceeding of any kind against Releasees or any of
19 their respective Representatives in respect of any potential liability for which exculpation is
20 granted pursuant to Section 11.3 of this Plan; (2) enforcing, attaching, collecting or recovering
21 by any manner or means of any judgment, award, decree or order against Releasees or any of
22 their respective Representatives in respect of any potential liability for which exculpation is
23 granted pursuant to Section 11.3 of this Plan; (3) creating, perfecting, or enforcing any
24 encumbrance of any kind against Releasees or any of their respective Representatives in respect
25 of any potential liability for which exculpation is granted pursuant to Section 11.3 of this Plan;
26 or (4) asserting any right of setoff, subrogation or recoupment of any kind against any Releasee
27 or any of their respective Representatives or against the property or interests in property any
28 Releasee or any of their respective Representatives, in respect of any potential liability for which

1 exculpation is granted pursuant to Section 11.3 of this Plan; provided, however, that nothing
2 contained herein shall preclude any Claimholder or other party-in-interest from exercising its
3 rights pursuant to and consistent with the terms hereof and the contracts, instruments, releases
4 and other agreements and documents delivered under or in connection with this Plan.

5 (c) Injunction Against Interference With Plan. Upon the Effective Date, all
6 Claimholders and their respective Representatives and any of their successors or assigns shall be
7 enjoined from taking any actions to interfere with the implementation or consummation of the
8 Plan.

9 **11.3 Exculpation.**

10 None of the Releasees, nor any of their respective Representatives shall have or incur
11 any liability to any Claimholder, or any other party-in-interest, or any of their Representatives,
12 or any of their successors or assigns, for any act, omission, transaction or other occurrence in
13 connection with, relating to, or arising out of the Chapter 11 Case, the pursuit of confirmation of
14 this Plan, or the consummation of this Plan, except and solely to the extent such liability is based
15 on fraud, gross negligence or willful misconduct. The Releasees shall be entitled to reasonably
16 rely upon the advice of counsel with respect to any of their duties and responsibilities under this
17 Plan or in the context of the Chapter 11 Case. No Claimholder, or any other party-in-interest,
18 including their respective Representatives, shall have any right of action against the Releasees or
19 any of their Representatives, for any act, omission, transaction or other occurrence in connection
20 with, relating to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of this Plan,
21 the consummation of this Plan or the administration of this Plan, except to the extent arising
22 from fraud, gross negligence and willful misconduct. Nothing herein shall be deemed an
23 exculpation by any Claimholder, or any other party-in-interest, including their respective
24 Representatives, of any Releasee or any of its Representatives for any acts, omissions,
25 transactions, events or other occurrences taking place after the Effective Date or unrelated to this
26 Plan and/or Chapter 11 Case.

27 **11.4 Releases.**

28 As of the Effective Date, for good and valuable consideration, the adequacy of which is

1 hereby confirmed, each Releasor will be deemed to release, waive and forever discharge all
2 Released Liabilities against each Releasee and each Releasee's respective Representatives;
3 provided, however, that, the releases provided herein shall not constitute a release of any
4 liability based on willful misconduct, gross negligence or fraud; provided, further, that nothing
5 herein shall be deemed to constitute a release by any Releasor of any Releasee or any of its
6 Representatives for any acts, omissions, transactions, events or other occurrences taking place
7 after the Effective Date or unrelated to this Plan and/or Chapter 11 Case.

8 **11.5 Adequate Protection Liens; Cash Collateral Orders.**

9 (a) As of the Effective Date, any replacement Liens granted as adequate protection
10 pursuant to the terms of any Cash Collateral Orders shall be deemed to be terminated,
11 discharged, eliminated and of no further force and effect;

12 (b) As of the Effective Date, the Debtor's obligations under all Cash Collateral
13 Orders shall be deemed to be fully satisfied, released, discharged and terminated, and such Cash
14 Collateral Orders shall be of no further force and effect.

15 **11.6 Termination of Debt Instruments.**

16 On the Effective Date, all instruments evidencing indebtedness of the Debtor held by
17 Holders of Claims that are Impaired by this Plan or have been paid in full pursuant thereto shall
18 be deemed canceled as against the Debtor.

19 **11.7 Judgments Void.**

20 Any judgment obtained before or after the Effective Date in any court other than the
21 Bankruptcy Court shall be null and void as a determination of liability of the Debtor and/or the
22 Reorganized Debtor with respect to any debt treated by the Plan.

23 **11.8 Revesting of Assets.**

24 Except as otherwise expressly provided herein or in the Confirmation Order, on the
25 Effective Date, but retroactive to the Confirmation Date, without any further action, the
26 Reorganized Debtor will be vested with all of the property of the Estate, wherever situate, free
27 and clear of all Claims, Liens and Equity Interests (except for Liens provided or authorized
28 pursuant to the Plan and Permitted Encumbrances).

1 Without limiting the generality of the foregoing, on and after the Effective Date, the
2 Reorganized Debtor shall be vested with all of the property of the Estate, wherever situate, free
3 and clear of any Claims based on any form of successor liability or similar or related theory of
4 liability. On and after the Effective Date, the Reorganized Debtor shall be free of any restrictions
5 imposed by the Bankruptcy Code or Bankruptcy Court, may operate its business and may use,
6 acquire or dispose of its assets (including the Property) free of any restrictions imposed by the
7 Bankruptcy Code and the Bankruptcy Rules and without supervision or approval by the
8 Bankruptcy Court, other than the obligations set forth herein, or the Confirmation Order.
9 Without limiting the generality of the foregoing and except as otherwise expressly provided
10 herein or in the Confirmation Order, any Causes of Action, will be preserved and retained solely
11 for the Reorganized Debtor's commencement, prosecution, use and benefit.

12 **11.9 Preservation of Causes of Action.**

13 Pursuant to Bankruptcy Code section 1123(b), the Debtor as Reorganized Debtor shall
14 retain and reserve the right to enforce all rights to commence and pursue Causes of Action
15 whether arising prior to or after the Petition Date, and whether pending as of or Filed after the
16 Effective Date, in any court or other tribunal. Unless a Cause of Action is expressly waived,
17 relinquished, released, compromised or settled in the Plan, or any Final Order, the Debtor on
18 behalf of themselves and as the Reorganized Debtor expressly reserve all Causes of Action for
19 later adjudication and, therefore, no preclusion doctrine, including, without limitation, the
20 doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel
21 (judicial, equitable or otherwise) or laches shall apply to any Causes of Action upon
22 Confirmation or the Effective Date. No entity may rely on the absence of a specific reference in
23 the Plan, any plan supplement, or the Disclosure Statement to any Cause of Action against them
24 as an indication that the Debtor, or the Reorganized Debtor, will not pursue any and all available
25 Causes of Action against them. The Debtor and the Reorganized Debtor, expressly reserve all
26 rights to prosecute, and when necessary settle, any and all Causes of Action against any Person,
27 except as otherwise expressly provided in the Plan. Debtor and Reorganized Debtor's right to
28 settle all such Causes of Action shall not require Bankruptcy Court approval notwithstanding the

1 requirements set forth in Rule 9019 of the Bankruptcy Rules.

2 **ARTICLE XII**

3 **MISCELLANEOUS PROVISIONS**

4 **12.1 Plan Modification and Amendment.**

5 (a) Prior to Confirmation, Debtor may alter, amend or modify this Plan under
6 Section 1127(a) of the Bankruptcy Code at any time. After the Confirmation Date and prior to
7 substantial consummation of this Plan as defined in Section 1101(2) of the Bankruptcy Code, the
8 Debtor may under Section 1127(b), (c), and (d) of the Bankruptcy Code, alter, amend or modify
9 this Plan or institute proceedings in the Bankruptcy Court to remedy any defect or omissions or
10 reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order,
11 to make appropriate adjustments and modifications to this Plan or the Confirmation Order as
12 may be necessary to carry out the purposes and effects of this Plan so long as such proceedings
13 do not materially adversely affect the treatment of Claimholders under this Plan.

14 (b) A Holder of a Claim that has accepted the Plan shall be deemed to have accepted
15 the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification
16 does not materially and adversely change the treatment of the Claim of such Holder. Prior to the
17 Effective Date, Debtor may make appropriate technical non-material modifications to the Plan
18 or the Disclosure Statement without further order or approval of the Bankruptcy Court, provided
19 that such technical modifications do not adversely affect the treatment of Holders of Claims or
20 Equity Interests.

21 **12.2 Notices.**

22 Except as otherwise set forth in Section 12.3 below, all notices, requests, elections or
23 demands in connection with this Plan, including any change of address of any Holder of a Claim
24 for the purposes of receiving any Distributions under this Plan, shall be in writing and shall be
25 delivered personally or by facsimile, electronic mail or overnight courier (confirmed by first
26 class mail or express mail) or mailed by first class mail. Such notice shall be deemed to have
27 been given when received or, if mailed by first class mail, seven (7) days after the date of
28 mailing, or if express mailed, the next Business Day following the date of mailing and addressed

1 to the following:

2 Linden & Associates, P.C.
3 Attn: David Linden, M.D.
4 2725 S. Jones Blvd., Ste. 104
5 Las Vegas, NV 89146

6 with copies to:

7 McDonald Carano Wilson LLP
8 2300 West Sahara Ave.
9 Suite 1200
10 Las Vegas, Nevada 89102
11 Attention: Ryan J. Works, Esq.
12 Email: rworks@mcdonaldcarano.com

13 All notices and requests to Holders of Claims of any Class shall be sent to them at their
14 known address. Any Holder of a Claim of any Class may designate in writing any other address
15 for purposes of this Section 12.2, which designation shall be effective upon receipt.

16 **12.3. Limitation of Notice.**

17 The Debtor shall give the following notice with regard to the following matters, which
18 notice shall be deemed to be good and sufficient notice of such matters, with no requirement for
19 any additional or further notice:

20 (a) Notice of Entry of Confirmation Order. Notice of the entry of the Confirmation
21 Order shall be sufficient if mailed to all known Holders of Claims (which have not become
22 Disallowed Claims) and Interests within five (5) Business Days of the entry of Confirmation
23 Order.

24 (b) Post-Confirmation Date Service List - Additional Persons Entitled to Notice.
25 Except as set forth in Section 12.2 hereof, from and after the date the Confirmation Order
26 becomes a Final Order, notices of appearances and demands for service of process Filed with the
27 Bankruptcy Court prior to such date shall no longer be effective, and no further notices, other
28 than Notice of Confirmation Order, shall be required to be sent to such parties, unless such
parties File a new notice of appearance and demand for service of process dated subsequent to
the Effective Date, which subsequent notice and demand must be Filed with the Bankruptcy
Court and served upon the Persons and Entities listed in Section 12.2 above.

(c) Subordination. Nothing in this Plan shall in any way be deemed to have Impaired,

1 altered or otherwise affected the rights of the Debtor or Reorganized Debtor to enforce any right
2 of subordination that may exist by agreement or otherwise, including under Bankruptcy Code
3 section 510.

4 **12.4 Headings.**

5 The headings used in this Plan are inserted for convenience only and neither constitute a
6 portion of this Plan nor in any manner affect the provisions of this Plan.

7 **12.5 Plan Supplement.** Any supplement to this Plan will be filed with the Clerk of the
8 Bankruptcy Court at least fourteen (14) days prior to the Voting Deadline (the “Plan Supplement
9 Filing Date”). Upon its filing with the Bankruptcy Court, such supplement(s) may be inspected
10 in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims
11 may obtain a copy of such supplements on the Bankruptcy Court’s website
12 (<http://ecf.nvb.uscourts.gov>) or upon written request to the Debtor’s counsel.

13 **12.6 Exhibits.**

14 All exhibits and documents included in any forthcoming plan supplements are
15 incorporated into and are a part of this Plan, as if set forth in full in this Plan. Except as
16 otherwise provided in this Plan, such exhibits and documents included in any supplements to
17 this Plan shall be Filed with the Bankruptcy Court on or before the Plan Supplement Filing Date.
18 After the exhibits and documents are Filed, copies of such exhibits and documents shall have
19 been available upon written request to the Debtor’s counsel at the address above or by
20 downloading such exhibits and documents from the Bankruptcy Court’s website at
21 <http://www.nvb.uscourts.gov>. To the extent any exhibit or document is inconsistent with the
22 terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-
23 document portion of this Plan shall control.

24 **12.7 Nonseverability of Plan Provisions.**

25 If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy
26 Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power, at the
27 request of Proponents and subject to the consent of any party adversely affected thereby, to alter
28 and interpret such term or provision to make it valid or enforceable to the maximum extent

1 practicable, consistent with the original purpose of the term or provision held to be invalid, void,
2 or unenforceable, and such term or provision shall then be applicable as altered or interpreted.
3 Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and
4 provisions of this Plan will remain in full force and effect and will in no way be affected,
5 Impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order
6 shall constitute a judicial determination and shall provide that each term and provision of this
7 Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid
8 and enforceable pursuant to its terms; (b) integral to this Plan and may not be deleted or
9 modified without the consent of Proponents and any other Person or Entity affected by such
10 provision; and (c) nonseverable and mutually dependent.

11 **12.8 Waiver or Estoppel.**

12 Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert
13 any argument, including the right to argue that its Claim or Interest should be Allowed in a
14 certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement
15 made with Debtor or its counsel or any other Entity, if such agreement was not disclosed in this
16 Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the
17 Confirmation Date.

18 **12.9 Conflicts.**

19 To the extent that any provision of the Disclosure Statement, any amendments or
20 supplements to the Plan, or any other order (other than the Confirmation Order) referenced in
21 this Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the
22 foregoing), conflict with or are in any inconsistent with any provision of this Plan, this Plan shall
23 govern and control, unless expressly set forth herein.

24 **12.10. Governing Law.**

25 Except to the extent that the Bankruptcy Code or any other Federal law is applicable, the
26 rights and obligations arising under this Plan shall be governed by, and construed and enforced
27 in accordance with, the laws of the State of Nevada.
28

McDONALD • CARANO • WILSON LLP
2300 WEST SAHARA AVENUE, SUITE 1200 • LAS VEGAS, NEVADA
PHONE (702)873-4100 • FAX (702) 873-9966

1 **12.11. Successors and Assigns.**

2 The rights and obligations of any Person named or referred to in this Plan shall be
3 binding upon, and shall inure to the benefit of, the successors and assigns of such Person or
4 Entity.

5 **12.12 Good Faith.**

6 Confirmation of the Plan will constitute a finding that the Plan has been proposed in
7 good faith and in compliance with all applicable provisions of the Bankruptcy Code.

8 **12.13 Entire Agreement.**

9 The Plan, as described herein, the Disclosure Statement and exhibits thereto, and any
10 supplements to this Plan set forth the entire agreement and understanding of the parties hereto
11 relating to the subject matter hereof and supersede all prior discussions and documents. No party
12 hereto shall be bound by any terms, conditions, definitions, warrants, understandings or
13 representations with respect to the subject matter hereof, other than as in expressly provided for
14 herein or as may hereafter be agreed by the parties in writing.

15 DATED: _____

17 Linden & Associates, P.C.

18 By: David Linden, M.D., President

19 /s/ David Linden, M.D.

22 MCDONALD CARANO WILSON LLP

23 By: /s/ Ryan J. Works

24 RYAN J. WORKS (NV Bar No. 9224)
25 AMANDA M. PERACH (NV Bar No. 12399)
26 2300 West Sahara Avenue, Suite 1200
27 Las Vegas, Nevada 89102
28 Telephone: (702) 873-4100
Facsimile: (702) 873-9966
rworks@mcdonaldcarano.com
aperach@mcdonaldcarano.com
Attorneys for Debtor and Debtor in Possession