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

<p>8 In re:</p> <p>9</p> <p>10 K & C LV INVESTMENTS, INC.</p> <p>11</p> <p>12 Debtor(s)</p>	<p>Case No. 16-13605-ABL</p> <p>Chapter: 11</p> <p>Hearing Date:</p> <p>Hearing Time:</p>
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14 **DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION OF**
15 **K & C LV INVESTMENTS, INC**

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DISCLOSURE STATEMENT DESCRIBING CHAPTER 11 PLAN OF

REORGANIZATION BY K & C LV INVESTMENTS, INC

THE VOTING DEADLINE IS 5:00 P.M. PACIFIC TIME ON _____, (UNLESS THE DEBTOR EXTENDS THE VOTING DEADLINE).

TO BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN, THE DEBTOR'S COUNSEL, THE BALLSTAEDT LAW FIRM, 9555 S. EASTERN AVE., #210, LAS VEGAS, NV 89123 MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND ANY EXHIBITS ATTACHED HERETO IS SPECULATIVE, AND SUCH DOCUMENTS SHOULD NOT BE RELIED UPON IN MAKING INVESTMENT DECISIONS WITH RESPECT TO THE DEBTOR OR ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THIS CHAPTER 11 CASE.

THE DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION OF **K & C LV INVESTMENTS, INC** (DEBTOR) UNDER CHAPTER 11 OF THE BANKRUPTCY CODE TO HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 3016(b) AND 3017(d) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.

THE DEBTOR URGES EACH HOLDER OF A CLAIM TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

I. INTRODUCTION

This document is the Disclosure Statement (the "Disclosure Statement") in the Business chapter 11 bankruptcy case of **K & C LV INVESTMENTS, INC** ("Debtor" or the "Business"). This Disclosure Statement contains information about the Debtor and describes its Plan of

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1 Reorganization (the "Plan") which will be filed contemporaneously with this disclosure statement
2 in accordance with the United States Bankruptcy Code, 11 U.S.C. 101, et seq. (the "Bankruptcy
3 Code"). A full copy of the Plan of Reorganization is attached to this Disclosure Statement as
4 "Exhibit A."

5 YOU SHOULD READ THE PLAN AND THIS DISCLOSURE STATEMENT
6 CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE
7 AN ATTORNEY, YOU MAY WISH TO CONSULT ONE. YOUR RIGHTS MAY BE
8 AFFECTED.

9 **II. VOTING INFORMATION**

10 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

11 This Disclosure Statement was confirmed on _____. This section describes the
12 procedures pursuant to which the Debtors seek to have the Plan confirmed. In addition, included
13 with this Disclosure Statement is the Notice of Confirmation, which sets forth objection
14 deadlines, as well as other important dates, deadlines and time periods.

15 Time and Place of the Hearing to Confirm the Plan.

16 The Court will hold a hearing on _____ at _____ to determine whether to
17 confirm the plan, at the United States Bankruptcy Court for the District of Nevada, 300 South Las
18 Vegas Blvd, Las Vegas, Nevada, 89101

19 Deadline for Voting to Accept or Reject the Plan.

20 If you are entitled to vote to accept or reject the Plan, enclosed is a ballot describing your claim.
21 Please, complete the ballot, as indicated, and return the ballot in the enclosed envelope to
22 Debtor's counsel. **The Deadline to Vote on the Plan is _____ at _____.**

23 Deadline for Objecting to Confirmation of the Plan.

24 Objections to the confirmation of the Plan must be filed with the Court and served upon Debtor's
25 counsel. **The Deadline to Object to the Plan is _____ at _____**

26 Identity of Person to contact for more information

27 If you want additional information about the Plan, you should contact Ballstaedt Law Firm, 9555
28 S Eastern Ave. Suite 210, Las Vegas, NV 89123. Phone (702) 715-0000, Fax (702) 666-8215,
email: help@ballstaedtlaw.com.

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IMPORTANT NOTICE

THE PLAN, DISCLOSURE STATEMENT, AND BALLOTS CONTAIN IMPORTANT INFORMATION THAT IS NOT INCLUDED IN THIS SUMMARY. THAT INFORMATION COULD MATERIALLY AFFECT YOUR RIGHTS. YOU SHOULD THEREFORE READ THE PLAN, DISCLOSURE STATEMENT, AND BALLOTS IN THEIR ENTIRETY. YOU ALSO SHOULD CONSULT WITH YOUR LEGAL AND FINANCIAL ADVISORS BEFORE VOTING ON THE PLAN.

III. BACKGROUND

The Debtor’s History

The Debtor is a business which owns two properties. One property is residential, and the other is commercial. The investment property is located at 2012 North 88th Drive, Phoenix, AZ 85037 (“2012 North Property”). The 2012 North property is presently occupied by a tenant, and Debtor receives rents of \$1100/month.

The commercial property is located at 2000 E. Cheyenne Ave. N. Las Vegas, NV 89030 (“Cheyenne Property”), and is a commercial/industrial property which Debtor leases to a tenant as a gas station. Debtor does not operate the gas station, but leases the property to an affiliated entity named, Kamar Brothers LV, LLC (hereafter “Kamar Brothers”) who pays rent and operates the gas station. Currently, lease payments are temporarily deferred based on mutual agreement due to environmental contamination of the site. Because of contamination and subsequent cleanup required on the property, the structure and gas station infrastructure was demolished beginning on about March 1st, 2015. The tenant, Kamar Brothers LV LLC, is affiliated through common ownership with Debtor. Kamar Brothers is owned by Christy Kamar and Wagih Kamar who are each partial owners of Debtor.

Remediation of Contaminated Property

As a first step to cleanup the contamination on the site, Debtor completely excavated all soil on the land, whether or not contaminated, all the way down to the water table, approx. 30 feet deep. The contaminated soil was shipped to a landfill, and was replaced with clean soil on the site.

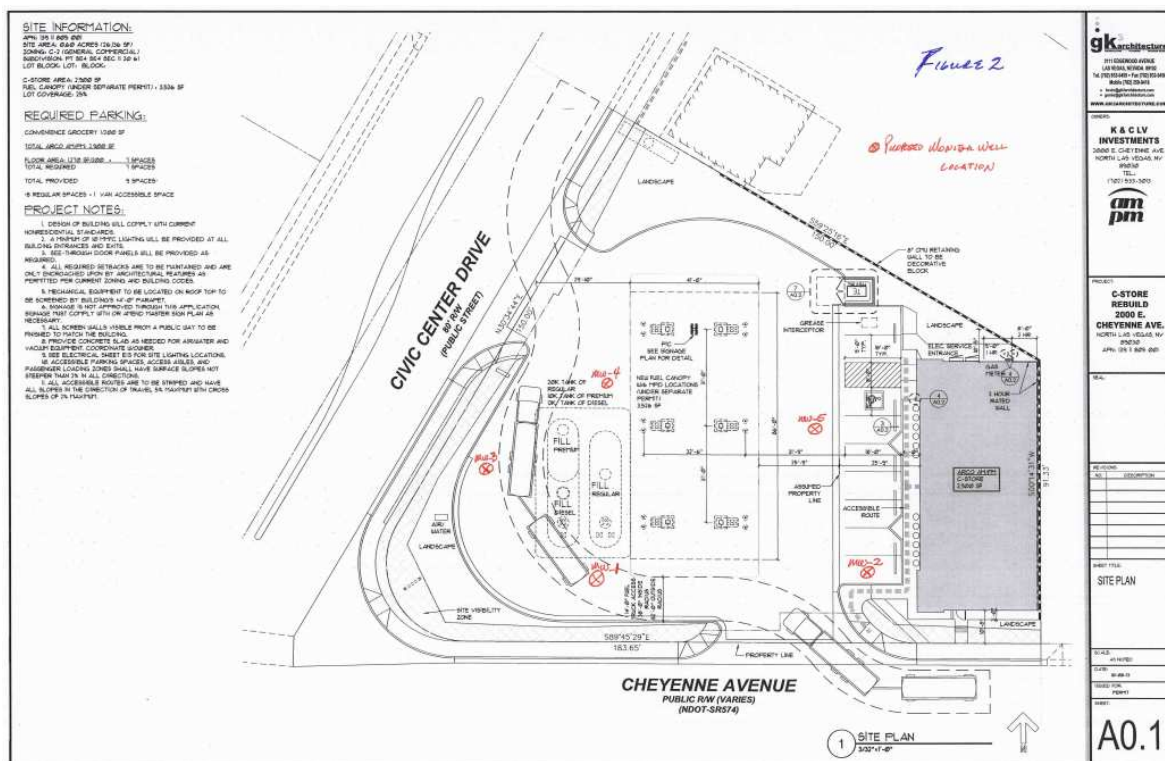
Because all of the soil has been replaced with clean soil down to the water table, Debtor hopes and expects that there is no more contamination at the site. In order to determine whether or not there is residual contamination on the site, Debtor must obtain a *Phase II Environmental Site Assessment Report*. Kamar Brothers has obtained an initial site assessment and proposal from Converse Consultants. Attached as Exhibit “D”. The proposal includes the installation of a minimum of five groundwater monitoring wells on the site. *Id.* Groundwater samples and soil samples will be collected from each of the five wells and submitted to a state certified laboratory for analysis. *Id.* Debtor will initiate the field work upon confirmation of the plan. The timeframe

for completing this work and providing a draft *Phase II Environmental Site Assessment Report* is approximately one month. *Id.* p 5. This report will identify whether potential or existing environmental contamination liabilities remain on the site, which will in turn determine whether or not additional remediation of the property is needed before the reconstruction of the gas station. Once rebuilding of the gas station can begin, lease payments from Debtor’s tenant, Kamar Brothers, will resume.

New Value Contribution by Debtor’s Principals

The cost of this initial work and to obtain the *Phase II ESA Report* will be approximately \$30,000-\$60,000 depending on whether or not additional contamination is discovered. The cost of the remediation of the property will be borne by Debtor’s principals: Wagih Kamar, Cristy Kamar, and William Kamar based on their respective shares of Debtor. This contribution will allow Debtor’s principals to retain their interest in Debtor consistent with so called “new value exception” of the “absolute priority rule.”

Figure 1 - Sites of Future Monitoring Wells



Reconstruction of the Gas Station

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1 The burden and cost of rebuilding the gas station will be borne by Debtor’s tenant, Kamar
2 Brothers. Debtor estimates that the cost to Kamar Brothers of rebuilding of the gas station will be
3 approximately \$1.4 million, and it will be funded through two potential sources:

- 4 1. Tesoro. Tesoro Refining & Marketing Company LLC (“Tesoro”) and Kamar Brothers
5 are parties to a Contract Dealer Gasoline Agreement pursuant to which Kamar
6 Brothers is authorized to operate an ARCO gas station at the Cheyenne Property.
7 Tesoro and Kamar Brothers are also parties to an ampm Mini Market Agreement,
8 pursuant to which Kamar Brothers is authorized to operate an ampm Mini Market at
9 the Cheyenne Property. In addition, Tesoro and Kumar Brothers are parties to a Loan
10 Agreement pursuant to which Tesoro agreed to loan Kamar Brother up to \$700,000 to
11 raze the then-existing structures on the Cheyenne Property and build a new ARCO
12 station and ampm Mini Market (the “Tesoro Loan”). To ensure repayment of the
13 Tesoro Loan, Debtor granted Tesoro a lien on the Cheyenne Property (the “Tesoro
14 Lien”). The Tesoro Lien was perfected by the recordation of a deed of trust with the
15 Clark County Recorder. Tesoro made an initial advance under the Loan of \$175,000.
16 No further advances were made, however, because Kamar Brothers has not met the
17 construction progress milestones required for further advances. Kamar Brothers is
18 currently in default under the Tesoro Loan, and accordingly, Tesoro is under no
19 obligation to make any further advances. Tesoro may be willing to continue funding if
20 Kamar can meet Tesoro’s customary credit and other requirements for such continued
21 funding. Accordingly, it is uncertain whether this funding source will be available.
- 22 2. Equanimity. Kamar Brothers has obtained a commitment from Equanimity LLC
23 (“Equanimity”) for between \$900,000 and \$1,700,000. Equanimity is also an insider
24 of Debtor, as Equanimity was formerly listed with the Nevada Secretary of State as
25 Debtor’s treasurer from 2/13/2015 to 11/17/2015. Equanimity’s principal owner is
26 Brian Jian. Mr. Jian is a business colleague of Debtor’s president, Wagih Kamar. Mr.
27 Jian and Mr. Kamar are associated in another unrelated fuel station business venture.
28 Mr. Kamar has provided an affidavit detailing his business relationship to Mr. Jian and
Equanimity.

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1 **Figure 2 - Sites Location Diagram**

11 Events Leading to Chapter 11 Filing.

12 The Cheyenne Property is worth \$630,000. It is encumbered by five (6) liens. The first
 13 position lien of Agua Fria Insurance Services is for \$1,654,320. One of the creditors, Encore
 14 Construction, set a foreclosure sale date on the property. To protect the property from
 15 foreclosure, Debtor elected to file under Chapter 11 of the U.S. Code to protect its assets and to
 16 formulate a chapter 11 plan. On October 12, 2015, a former Bankruptcy case under Chapter 11
 17 was filed as Case No. 15-15808-ABL (“former case”). The former case was dismissed on June
 18 16, 2016 (Dkt #123 in former case) pursuant to 11 U.S.C. § 1112(B) and Federal Rules of
 19 Bankruptcy Procedure 1017(F) and 9014.

20 This Chapter 11 bankruptcy case was filed on June 30, 2016 and will focus on the
 21 bifurcation of the loan by Agua Fria Insurance on the Cheyenne Property pursuant to section
 22 506(a) of the United States Bankruptcy Code and Bankruptcy Rules 3012 and 9014 of the Federal
 23 Rules of Bankruptcy Procedure. Debtor also seeks to “Strip-off” and reclassify as unsecured the
 24 claims of the other creditors on the property.

25 Debtor has elected to assume the executory contracts to which it is a party. They include
 26 the Construction contract with Encore Construction, the Landlord/tenant agreement with Debtor
 27 as the Landlord for the 2012 North 88th Drive, and a business lease with Debtor as the Landlord
 28 the Cheyenne Property with Kamar Brothers.

24 The Debtor’s Profits

25 Presently, Debtor has no income other than the \$1,100.00 monthly rents derived from the
 26 investment property located in Arizona. But upon confirmation of the bankruptcy plan, additional
 27 lease payments of \$11,000 per month from Kamar Brothers will resume.

28 Significant Events during the Bankruptcy Case

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After the Petition Date, and in addition to filing its voluntary petition for relief, the Debtor also filed various motions with the Bankruptcy Court. Specifically, the significant events in the case to this point are as follows:

- 1) A Pending Motion to Continue the Automatic Stay Under 11 USC 362(c)(3)(B).
- 2) A pending application to employ the Ballstaedt Law Firm as attorney for Debtor.
- 3) A pending Motion to Value Collateral and avoid lien for the Cheyenne property to pursuant to section 506(a) of the United States Bankruptcy Code and Bankruptcy Rules 3012 and 9014 of the Federal Rules of Bankruptcy Procedure.

The Debtor has not filed any adversary proceedings at the time. Debtors have petitioned the Court to retain one professional: Seth D. Ballstaedt, Esq. as their bankruptcy counsel, which was approved.

Debtor is party to two lawsuits.

- 1) K&C Investments LLC, Plaintiff(s) vs. Agua Fria Insurance Services LLC, Defendant(s), Case No. A-15-723497-C. This case is regarding Civil Matters, Violation of NRS 645B, Breach of Contract, Constructive Fraud, Fraudulent Misrepresentation, Intentional Interference with Contractual Relations, and Intentional Interference with Prospective Economic Advantage and is pending in District Court, Clark County, NV.
- 2) Western States Contracting Inc, Plaintiff(s) vs. Encore Construction Inc, Defendant(s), Case No. A-15-721690-C. This Civil Complaint is regarding Judicial Foreclosure proceeding.

Reorganization Strategy

The Debtor developed its reorganization strategy to (1) bifurcate and reamortize the first loan on the Cheyenne property (2) re-classify certain unsecured claims against the Cheyenne property as unsecured; (3) reamortize and reschedule the loans on the 2012 Property and the vehicle, (4) address the factors that led to the bankruptcy filing; and (5) secure the necessary additional funding allowing debtor to fully rehabilitate the environmental hazards which previously existed at the property and enable the Debtor to bring the gas station into full scale operation and profitability

Risk Factors

1 The biggest challenge to successfully reorganize is the possibility of failure to obtain the
 2 necessary funding to fully rehabilitate the environmental conditions on the Cheyenne Property,
 3 and to construct the structures and infrastructure on the site necessary to be fully operational and
 4 income producing. As described above, Tesoro is one potential source of Debtor's funding.
 5 Tesoro made an initial advance under the Tesoro Loan of \$175,000. No further advances were
 6 made, however, because Kamar Brothers did not meet the construction progress milestones
 7 required for further advances. Kamar Brothers is currently in default under the Tesoro Loan, and
 8 accordingly, Tesoro is under no obligation to make any further advances. However, Tesoro may
 9 be willing to continue funding if Kamar Brothers can meet Tesoro's customary credit and other
 10 requirements for such continued funding. Kamar Brothers is seeking to meet the necessary
 11 conditions to secure the available additional funding.

12 Another potential source of funding is Equanimity, LLC who has committed between
 13 \$900,000 and \$1,700,000 and has provided evidence to Debtor of an ability to secured such
 14 funding through a loan to Equanimity's principal owner, Brian Jian.

15 **IV. SUMMARY OF THE PLAN OF REORGANIZATION**

16 **AND TREATMENT OF CLAIMS AND EQUITY INTEREST**

17 What is the purpose of the plan of Reorganization?

18 As required by the Bankruptcy Code, the Plan places claims in separate classes and
 19 describes the treatment each class will receive. The Plan also states whether each class of claims
 20 is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount
 21 provided by the Plan.

22 Who may file a Plan

23 Debtor is a corporation (Pursuant to section 1121 the Debtor has the exclusive right to file
 24 a plan during the first 180 days of the case, after which time any party in interest (a creditor's
 25 committee, a trustee, etc.) may file a plan, or if the debtor has not filed a plan before the first 180
 26 days. This plan has been filed by Debtor within the 180 day exclusivity period.

27 Unclassified Claims

28 Certain types of claims are automatically entitled to specific treatment under the Code.
 They are not considered impaired, and holders of such claims do not vote on the Plan. They
 may, however, object if, in such creditor's view, its treatment under the Plan does not comply
 with that required by the Code. As such, the Debtor does not classify administrative claims.

1 Administrative Expenses

2 Administrative expenses are costs or expenses of administering the Debtors' Chapter 11
 3 case which are allowed under section 507(a)(2) of the Bankruptcy Code. Administrative
 4 expenses also include the value of any goods or services sold to the Debtors in the ordinary
 5 course of business. The Bankruptcy Code requires that all administrative expenses be paid on the
 6 effective date of the Plan, unless a particular claimant agrees to a different treatment. The
 7 following chart lists the Debtors' estimated administrative expense and their proposed treatment
 8 under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Professional fees for Debtors' Counsel in this case arising from the ordinary course of business after the petition date	est. \$20,000	<p>Debtor and Attorney entered into a limited scope retainer agreement for \$2,000.00. Prior to the petition date, the full \$2,000.00 was paid by Wagih Kamar from his personal funds which he gifted to the Debtor, and from that payment, \$1717 was paid to the court for a court filing fee.</p> <p>The remaining balance of professional fees due will be paid in 6 equal payments beginning with the effective date of the plan, and only after court approval.</p> <p>Payments made to Law Firm for the prior bankruptcy case filing were exhausted upon dismissal of the prior case, and no further funds are owed to Law Firm for the prior case filing. Therefore, Law Firm is not a creditor in this chapter 11 case.</p>
Expenses arising in the ordinary course of business	None at this time. Current as of the date of filing of the Disclosure Statement	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
Clerk's Office Fees	None at this time	Paid in full on the effective date of the Plan
Office of the US	None at this time	Paid in full on the effective date of the Plan or as they

1	Trustee Fees		come due each quarter until the case is closed.
2	Vendor Fees	None at this time	Paid in the ordinary course

4 Priority Tax Claims

5 Priority tax claims are unsecured income, employment, and other taxes described by Section
6 507(a)(8) of the Bankruptcy Code. Unless the holder of such a Section 507(a)(8) priority tax
7 claim agrees otherwise, it must receive the present value of such claim, in regular installments
8 paid over a period not exceeding 5 years from the order of relief. The following chart lists the
Debtor's proposed treatment of secured claims under the Plan:

9 Description	Amount Owed	Treatment
10 Clark County's secured priority 11 claim against 2000 E. Cheyenne 12 Ave.	\$3,711.57	The claim of 3,711.57 shall be paid at 10% interest in 12 equal monthly payments of \$326.26 per month commencing on the effective date of the plan.
13 Maricopa County's secured 14 priority claim against 2012 North 15 88th Drive, Phoenix, AZ 85037	\$3,623.65	This claim of \$3,623.65 shall be paid at 10% interest 12 equal monthly payments of \$318.58 per month commencing on the effective date of the plan.

17 Classes of Claims

18
19 One of the key concepts under the Bankruptcy Code is that only claims that are "allowed"
20 may receive distributions under a chapter 11 plan. In general, an "allowed" claim simply means
21 that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court or other court of
appropriate jurisdiction determines, that the claim, and the amount thereof, is in fact a valid
obligation of the debtor.

22
23 The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11
24 plan divides the different claims against the debtor into separate classes based upon their legal
25 nature. Claims of a substantially similar legal nature are usually classified together. If a class of
26 claims or interests is "impaired," the Bankruptcy Code affords certain rights to holders of such
27 claims or interests, including the right to vote on the plan. Under section 1124 of the Bankruptcy
28 Code, a class of claims or interests is "impaired" unless the plan (i) does not alter the legal,
equitable and contractual rights of the holders or (ii) irrespective of the holders' acceleration
rights, cures all defaults (other than those arising from the debtor's insolvency, the
commencement of the case or nonperformance of a nonmonetary obligation), reinstates the

maturity of the claims or interests in the class, grants such holder a claim for damages incurred, and does not otherwise alter the holders' legal, equitable and contractual rights.

The categories of Claims listed below classify Claims for all purposes, including, without limitation, voting, confirmation and distribution pursuant hereto and pursuant to Bankruptcy Code sections 1122 and 1123(a)(1). The Plan deems a Claim to be classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim qualifies within the description of such different Class. A Claim is in a particular Class only to the extent that any such Claim is allowed in that Class and has not been paid, released or otherwise settled prior to the Effective Date. If there are no Claims in a particular Class, then such Class of Claims shall not exist for all purposes of the Plan.

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

Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to set off) to the extent allowed as secured claims under Section 506(a) of the Bankruptcy Code. If the value of the collateral or set offs securing the creditor's claim are less than the amount of the creditor's allowed claim, the deficiency will be classified as a general, unsecured claim and treated in Class 7.

The following chart lists the Debtor's proposed treatment of secured claims under the Plan:

<u>Class</u>	<u>Description</u>	<u>Impairment</u>	<u>Treatment</u>
1	AGUA FRIA INSURANCE SERVICE'S claim against 2000 E. Cheyenne Ave., N. Las Vegas, NV 89030	Impaired	The property securing this lien is valued at \$630,000. This claim shall be bifurcated into a secured claim and an unsecured claim pursuant to §506(a) The lienholder position of Agua Fria Insurance Service (class 1) and Western States Contracting (class 6) is currently in dispute <u>has recently been resolved by a stipulation agreement, which is incorporated by reference into this Plan. Such stipulation agreement withdraws Western States Contracting's objection to the Disclosure Statement, and leaves Aqua Fria as the superior secured creditor with regard to the claims as secured against the real property known as 2000 E. Cheyenne Ave., Las Vegas, NV 89030. (Dkt # pending) -See Doc #66 Western States Objection to Disclosure Statement which asserts that Western States is first position lienholder. See also Doc #67 Opposition Brief filed by Agua Fria which</u>

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			<p>asserts that Agua Fria is the first position lienholder. For purposes of this plan, Debtor shall pay the first position lienholder(s), whoever they may be, the value of their lien, \$630,000, amortized over 30 years at 5.0% fixed interest per annum. Monthly payments of \$3,381.98 shall commence 6 months after the effective date of the plan once administrative claims have been paid and continue for a term of 30 years (360 months) or until paid in full, whichever comes first. In the event that there is more than one lienholder secured or partially secured by the \$630,000 value of this collateral, each lienholder shall receive their pro-rata share of payments and shall retain their pro-rata share of lien security pursuant to §506(a) and as outlined in this paragraph and based upon their lienholder position or rank.</p> <p>Debtor shall also tender to Agua Fria Insurance Services monthly payments which equal 1/12 of the yearly hazard tax and insurance amounts to be placed in an escrow account. All other terms of the Note shall govern treatment for this claim.</p> <p>The unsecured portion of the claim shall be reclassified as a General Unsecured claim to be on a pro rata basis with other members of the general unsecured class.</p> <p>The order confirming the chapter 11 plan shall constitute an order pursuant 11 U.S.C. Section 506(a) stripping the liens of junior lien holders against 2000 E. Cheyenne Ave., N. Las Vegas, NV 89030 that are not specifically and separately provisioned in the plan of reorganization. Such junior claims shall be re-classified as General Unsecured Claims.</p>
2	Speno Investments LLC & Randolph O. Persson Trust secured claim against 2012 North 88th Drive, Phoenix, AZ 85037	Impaired	<p>This secured claim shall be reamortized and rescheduled over 30 years (360 months) at 5% fixed interest per annum. Monthly payments of \$475.78 shall commence on the effective date of the plan and continue for a term of 30 years (360 months) or until paid in full, whichever comes first.</p> <p>Debtor shall also tender to Speno Investments LLC & Randolph O. Persson Trust monthly payments which equal 1/12 of the yearly hazard tax and insurance amounts to be placed in an escrow account. All other</p>

1			terms of the Note shall govern treatment for this claim.
2			All other terms of the Note shall govern treatment for this claim.
3			
4	3	PPP 3025 LLC's claim against 2012 North 88th Drive, Phoenix, AZ 85037	Impaired
5			This claim shall be bifurcated into a secured claim and an unsecured claim. The allowed secured claim of \$50,000 shall be reamortized over 30 years at 5.0% fixed interest per annum. Monthly payments of \$268.41 shall commence on the effective date of the plan and continue for a term of 30 years (360 months) or until paid in full, whichever comes first. All other terms of the Note shall govern treatment for this claim.
6			The unsecured portion of the claim shall be reclassified as a General Unsecured claim to be on a pro rata basis with other members of the general unsecured class.
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12	4	US Bank's claim against Debtor's 2011 Mercedes C-250	Impaired
13			This secured claim shall be reamortized and rescheduled over a term of 5 years (60 months) at 5% interest per annum. Monthly payments of \$520.12 shall commence on the effective date of the plan and continue for a term of 60 months.
14			
15	5	Tesoro Refining & Marketing Company LLC's secured claim against 2000 E. Cheyenne Ave., N. Las Vegas, NV 89030	Unimpaired
16			Tesoro shall retain its lien, and all of the legal, equitable and contractual rights to which Tesoro is entitled shall remain unaltered. See claim #6.
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21			
22	6	Western States Contracting's perfected mechanic's lien against 2000 E. Cheyenne Ave., N. Las Vegas, NV 89030	Impaired
23			The property securing this lien is valued at \$630,000. This claim shall be bifurcated into a secured claim and an unsecured claim pursuant to §506(a). The lienholder position of Agua Fria Insurance Service (class 1) and Western States Contracting (class 6) <u>has recently been resolved by a stipulation agreement, which is incorporated by reference into this Plan. Such stipulation agreement withdraws Western States Contracting's objection to the Disclosure Statement, and leaves Aqua Fria as the superior secured creditor with regard to the claims as secured against the real property known as 2000</u>
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			<p>E. Cheyenne Ave., Las Vegas, NV 89030. (Dkt # pending.) is currently in dispute. See Doc #66 Western States Objection to Disclosure Statement which asserts that Western States is first position lienholder. See also Doc #67 Opposition Brief filed by Agua Fria which asserts that Agua Fria is the first position lienholder. For purposes of this plan, Debtor shall pay the first position lienholder(s), whoever they may be, the value of their lien, \$630,000, amortized over 30 years at 5.0% fixed interest per annum. Monthly payments of \$3,381.98 shall commence 6 months after the effective date of the plan once administrative claims have been paid and continue for a term of 30 years (360 months) or until paid in full, whichever comes first. In the event that there is more than one lienholder secured or partially secured by the \$630,000 value of this collateral, each lienholder shall receive their pro rata share of payments and shall retain their pro rata share of lien security pursuant to §506(a) and as outlined in this paragraph and based upon their lienholder position or rank.</p> <p><u>The order confirming the chapter 11 plan shall constitute an order pursuant 11 U.S.C. Section 506(a) stripping the liens of Western States Contracting against 2000 E. Cheyenne Ave., N. Las Vegas, NV 89030. Such junior claims shall be re-classified as General Unsecured Claims.</u></p>
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Classes of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under Section 507(a) of the Bankruptcy Code. The following chart identifies the Plan's proposed treatment of Class Number 7, which contains the general unsecured claims against the Debtor:

As far as the Debtor has been able to determine correctly, Debtor estimates that the General Unsecured Claims against the estate total approximately \$1,132,127.42. The Debtor proposes to pay Allowed General Unsecured Claims a pro rata distribution from an equity contribution of the Debtor's principal.

<u>Class</u>	<u>Description</u>	<u>Impairment</u>	<u>Treatment</u>
7	General Unsecured Class comprised of	Impaired	The General Unsecured Class shall

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<p>non-priority general unsecured claims against Debtor. This class includes the unsecured portion of the mortgage claim of AGUA FRIA INSURANCE SERVICE, and the fully unsecured claims of Encore Construction Inc and Sunbelt Engineering & Testing, and potentially Western States Contracting, based on the depending on the final determination of their lien position described in the “treatment” section for Class 6 <i>supra</i>.</p>	<p>be paid a total of \$13,541.40. At confirmation, Debtor shall begin making monthly payments of \$400 to the Disbursement agent. The Disbursement agent shall first disburse funds for payment of administrative fees as ordered by the court. After payment of all administrative fees, the Disbursement agent shall disburse funds to the members of the General Unsecured class, until at least \$13,541.40 has been disbursed on a pro-rata basis to members of this class.</p>
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Class 8 - Equity Contribution from Debtor’s Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (i.e. equity interest). In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company, the equity interest holders are the members.

In this chapter 11 case, the Debtor is a Nevada Corporation with Wagih Kamar and Christy Kamar and William Kamar as equity interest holders. Debtor’s equity interest holders will retain their equity interests in exchange for a new value contribution in the form of funding the time, effort and costs for the remediation of the contaminated property. Debtor estimates that the cost of remediation of the property will be at least \$30,000 and as much as \$200,000 depending on whether additional cleanup is required.

V MEANS OF IMPLEMENTING THE PLAN

General Settlement of Claims

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, in consideration for the classification, distributions, releases and other benefits provided under the Plan, and as a result of negotiations among the Debtor and other parties in interest, upon the effective date, the provisions of the Plan shall constitute an enforceable court order.

Disbursements to Classes of Creditors

Debtor shall tender payments for the secured classes of creditors directly to the appropriate agency as outlined in the Chapter 11 Plan. Payments to the class 7 General Unsecured Creditors shall be tendered directly to the Disbursement agent. The Ballstaedt Law

Firm shall act as the Disbursement Agent. Payments shall be disbursed to the members of the unsecured class on a pro rata basis, after all payments for administrative claims have been disbursed. It is anticipated that disbursements to members of this class shall be as follows, however, such amounts are subject to change:

Unsecured Creditor Name**	Unsecured Claim Amount	Pro Rata Share of Disbursement	Pro-rata share of the \$13,541.40 disbursement
AGUA FRIA INSURANCE SERVICES	\$1,024,320.00	90.48%	\$12,251.91
Encore Construction Inc	\$12,800.00	1.13%	\$153.10
Sunbelt Engineering & Testing	\$1,755.00	0.16%	\$20.99
AMTI Sunbelt LLP	\$450.00	0.04%	\$5.38
Jimco Sales & Manufacturing	\$16,626.42	1.47%	\$198.87
Norvic Demolition Inc	\$24,631.00	2.18%	\$294.61
PPP 3025 LLC	\$50,000.00	4.42%	\$598.05
Red Star Fencing Com	\$1,545.00	0.14%	\$18.48
	\$1,132,127.42	1	\$13,541.40

*No payments shall be disbursed for less than \$1.00

Restructuring Transactions

Pursuant to the plan, the Reorganized Debtor shall take any actions as may be necessary or appropriate to affect a restructuring of the business or the overall organization structure of the Reorganized Debtor.

To the extent that any such restructuring transactions result in the assignment of any Executory Contract or Unexpired Lease assumed under the Plan to a party other than the Debtor which was originally a party to such executor contract or unexpired lease the Debtor shall follow the procedures in Article VI of the Plan for the assignment of such Executory Contracts and Unexpired leases under section 365 of the Bankruptcy Code. Any president or other appropriate

1 officer of the Debtor, as the case may be, shall be authorized to execute, deliver, file or record
 2 such contract, instruments, releases, indentures and other agreements or documents, and take such
 3 other actions as may be necessary or appropriate to effectuate and further evidence the terms and
 conditions of this Plan and the restructuring transactions.

4 New Corporate Existence

5
 6 The Debtor shall continue to exist after the effective date with all the powers of a
 7 corporation or limited liability company pursuant to laws of the State of Nevada and pursuant to
 8 the certificate of incorporation and bylaws (or other formation documents) in effect prior to the
 9 effective date, in such a manner as to preserve the debtor’s net operating losses for federal tax
 10 purposes, except to the extent such certificate of incorporation or bylaws (or other formation
 11 documents) are amended by or in connection with the plan or otherwise and, to the extent such
 12 documents are amended, such documents are deemed to be authorized pursuant hereto and
 without the need for any other approvals, authorizations, actions or consents.

13 Vesting of Assets in the Reorganized Debtor

14 Except as otherwise provided in the Plan any sale of the Debtor’s Assets or in any
 15 agreement, instrument or other document relating thereto, on or after the Effective Date, all
 16 property of the estate (including, without limitation, causes of action) and any property acquired
 17 by the Debtor pursuant to the Plan, shall vest in the Reorganized Debtor, free and clear of all
 18 liens, claims, charges or other encumbrances. Except as may be provided in the Plan and any sale
 19 all or a portion of the Debtor’s Assets, on and after the Effective Date, the Reorganized Debtor
 20 may operate their businesses and may use, acquire or dispose of property and compromise or
 21 settle any claims without supervision or approval by the Bankruptcy Court and free of any
 22 restrictions of the Bankruptcy Code or Bankruptcy Rules other than those restrictions expressly
 23 imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the
 Reorganized Debtor shall pay the charges that they incur after the Effective Date for Retained
 24 Professionals’ fees, disbursements, expenses or related support services (including reasonable
 25 fees relating to the preparation of Retained Professional fee applications) without application to
 26 the Bankruptcy Court.

27 Executory Contracts and Unexpired Leases

28 Debtors have three executory contracts and/or leases: The assumption or rejection of the
 leases is described below:

Name of Executory Contract or Lease	Assumption or Rejection in the Chapter 11 Plan
-------------------------------------	--

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1 2 3 4 5 6 7 8 9	Encore Construction	Debtor has elected assume the executory contract with Encore Construction as the General Contractor of the construction project at 2000 E. Cheyenne Ave, N. Las Vegas, NV 89030
10 11 12 13 14 15 16 17	Raquel Pena, Anthony Kamar and M. William Kamar	Debtor has elected to assume the lease. The lessee's sublease the property at 2012 N. 88 th Dr., Phoenix, AZ 85037 and also assume and perform management functions.. Lease term is April 1 st , 2016 to March 31 st 2018 with monthly payments of \$1,100.00
18 19 20 21 22	Kamar Brothers	Debtor has elected to assume this lease agreement. Kamar Brothers hold the business lease for the property located at 2000 E. Cheyene Ave, NLV, NV 89030.

Assumption means that the Debtors have elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court sets an earlier time. Consult your advisor or attorney for more specific information about particular contracts or leases. If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

Tax consequences of the Plan

Creditors concerned with how the Plan may affect tax liability should consult with their Accountants, Attorneys, and/or Advisers. Debtors do not anticipate any adverse tax consequences to the estate from the Plan, but do acknowledge some specific tax consequences and procedures as a result of confirmation. To the extent the Debtors receive any debt forgiveness income related to this Chapter 11 case, such income would not be taxable under Section 108(a)(1) of the Internal Revenue Code, 26 U.S.C. §§ 1, et seq.

VI. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in Section 1129(a) or (b) of the Bankruptcy Code. These include the requirements that: (i) the Plan must be proposed in good faith; (ii) at least one impaired class of claims must accept the plan, without counting votes of insiders; and (iii) the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be feasible.

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

3 Who May Vote or Object

4 Any party-in-interest may object to the confirmation of the Plan if the party believes that
5 the requirement for confirmation is not met. Many parties-in-interest, however, are not entitled to
6 vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or
7 against the Plan only if that creditor or equity interest holder has a claim or equity interest that is
8 both (1) allowed (or allowed for voting purposes) and (2) impaired.

9 In this case, all classes are impaired. The holders of claims in each of these classes, are
10 therefore entitled to vote to accept or reject the Plan.

11 Ballots to Accept or Reject the Plan

12 A Ballot to accept or reject the plan shall conform to Form 14. Upon approval of this
13 disclosure statement, a ballot will be mailed to each creditor in this case. In order for a creditor's
14 ballot to accept or reject the plan to be counted, it must be returned to the tabulation agent. A
15 ballot looks like the following:
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UNITED STATES BANKRUPTCY COURT	
DISTRICT OF NEVADA	
In re: SAMPLE DEBTOR NAME	CASE NO.:
Debtor(s)	CHAPTER: 11
	CONF. HEARING DATE:
	CONF. HEARING TIME:
Form 14. CLASS BALLOT FOR ACCEPTING OR REJECTING PLAN OF REORGANIZATION	
<p>The above referenced Debtor has filed a Plan of Reorganization dated: (the "Plan") for the Debtor in this case. The Court has approved a Disclosure Statement with respect to the Plan (the "Disclosure Statement"). The Disclosure Statement provides information to assist you in deciding how to vote your ballot. If you do not have a Disclosure Statement, you may obtain a copy from Seth D. Ballstaedt, Esq., 9555 S. Eastern Ave, Suite 210, Las Vegas, NV 89123, Phone: 702-715-0000, Fax: (702) 666-8215. Court approval of the disclosure statement does not indicate approval of the Plan by the Court.</p> <p>You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your claim has been placed in class under the Plan. If you hold claims or equity interests in more than one class, you will receive a ballot for each class in which you are entitled to vote.</p> <p>If your ballot is not received by Seth D. Ballstaedt, Esq., 9555 S. Eastern Ave, Suite 210, Las Vegas Nevada, 89123 on or before _____ and such deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.</p>	
ACCEPTANCE OR REJECTION OF THE PLAN	
Item 1. Voting Classification and Amount. The undersigned:	
Sample Creditor	
123.Address Las Vegas, NV,	
is the holder of a Class claim against the Debtor regarding _____, Account # _____, in the unpaid amount of Dollars \$0.00	
Item 2. Vote. (Check one box only)	
<input type="checkbox"/> ACCEPTS THE PLAN <input type="checkbox"/> REJECTS THE PLAN	
Dated: _____	
Print or Type Name: _____	
Signature: _____	
Title (If corporation or partnership): _____	
Address: _____	
<p>RETURN THIS BALLOT TO: Seth D. Ballstaedt, Esq., 9555 S. Eastern Ave, Suite 210, Las Vegas, NV 89123. Phone (702) 715-0000, Fax (702) 666-8215 Help@ballstaedtlaw.com</p>	

Instructions for submitting a ballot to the tabulation agent are listed on the back of the ballot and are as follows:

This Ballot is submitted to you to solicit your vote to accept the Plan of Reorganization (the "Plan") of **K & C LV INVESTMENTS, INC** (the "Debtor") which is described in the disclosure statement in support of the Plan (the "Disclosure Statement"). A copy of the Plan is attached as Exhibit "A" to the Disclosure Statement. The United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court"), on _____, approved the Disclosure Statement. The Disclosure Statement provides information to assist you in deciding whether to accept or reject the Plan. A copy of the Disclosure Statement is enclosed with this Ballot. If you do not have a copy of the Disclosure Statement, you may obtain a copy from the Debtor's Solicitation and Tabulation Agent, The Ballstaedt Law Firm, 9555 S. Eastern Ave, Suite 210, Las Vegas, Nevada 89123, Attn: Seth D. Ballstaedt, Esq., Telephone No. (702) 715-0000.

Please complete, sign and date this Ballot. Return this Ballot to The Ballstaedt Law Firm, 9555 S. Eastern Ave, Suite 210, Las Vegas, Nevada 89123, Attn: Balloting

1 Agent, Telephone No. (702)715-0000. If your Ballot is not ACTUALLY RECEIVED by
2 5:00 p.m., Pacific Time, on _____, and such deadline is not extended, it
3 will not be counted. The Ballstaedt Law Firm will accept Ballots by facsimile
transmission Fax: (702)666-8215.

4 By signing this Ballot, you make the following certifications:

- 5 • “I have been provided with a copy of the Disclosure Statement and the exhibits
thereto.”
- 6 • “I understand that, if this Ballot is validly executed and returned without
checking a box to ACCEPT or REJECT, this Ballot will be counted as a vote to ACCEPT
7 the Plan.”
- 8 • “I have the full power and authority to vote to accept or reject the Plan on behalf
of the claimant listed on the reverse side.”

9
10 What is an Allowed Claim?

11 Only a creditor with an allowed claim has the right to vote on the Plan. Generally, a claim
12 is allowed if either (A) the Debtor has scheduled the claim on the Debtor's schedules, unless the
claim has been scheduled as disputed, contingent, or un-liquidated, or (B) the creditor has filed a
13 proof of claim, unless an objection has been filed to such proof of claim by the Debtors, in which
14 case, such creditor cannot vote unless the court, after notice and hearing, either overrules the
objection the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the
15 Federal Rules of Bankruptcy Procedure.

16 The **deadline for filing a proof of claim in this case is November 2, 2016.**

17 The **deadline for filing objections to Confirmation is _____.**

18 What is an Impaired Claim?

19
20 As noted above, the holder of an allowed claim or equity interest has the right to vote only
21 if it is in a class that is impaired under the Plan. As provided in Section 1124 of the Bankruptcy
Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of
22 the members of that class.

23 Who is NOT Entitled to Vote?

24 The holders of the following six types of claims are not entitled to vote:

- 25 • Holders of claims that have been disallowed by an order of the Court;
- 26 • Holders of other claims that are not "allowed claims" (as discussed above), unless they
have been "allowed" for voting purposes;
- 27 • Holders of claims in unimpaired classes;
- 28 • Holders of claims entitled to priority pursuant to Sections 507(a)(2), or (a)(8) of the

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1 Bankruptcy Code;

- 2 • Holders of claims in classes that do not receive or retain any value under the plan; and
3 • Administrative expenses.

4 Even if you are not entitled to vote on the Plan, you have a right to object to the confirmation of
5 the Plan and to the adequacy of the Disclosure Statement.

6 Who can Vote In More Than One Class

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

10 Votes Necessary to Confirm the Plan

11 If impaired classes exist, the Court cannot confirm the Plan unless (A) at least one
12 impaired class of creditors has accepted the Plan without counting the votes of any insiders within
13 that class, or (B) all impaired classes have voted to accept the Plan, unless the Plan is eligible to
14 be confirmed by "cram down" on non-accepting classes, as discussed below.

15 Votes Necessary for a Class to Accept the Plan

16 A class of claims accepts the Plan if both of the following occur: (A) the holders of more
17 than one-half (1/2) of the allowed claims in the class, who vote, cast his votes to accept the Plan,
18 and (B) the holders of at least two thirds (2/3) in dollar amount of the allowed claims in the class,
19 who vote, cast his votes to accept the Plan.

20 Fair Treatment of Non-Accepting Classes

21 The Court may still confirm the Plan, even if one or more creditors or classes vote against
22 the Plan, if the non-accepting classes are treated in the manner prescribed by Section 1129(b) of
23 the Bankruptcy Code. A plan that binds non-accepting classes is commonly referred to as a
24 "cram down" plan. the Code allows the Plan to bind non-accepting classes of claims or equity
25 interest if it meets all the requirement for consensual confirmation except the voting requirements
26 of Section 1129(a)(8) of the Bankruptcy Code, does not "discriminate unfairly," and is "fair and
27 equitable" toward each impaired class that has not voted to accept the Plan.

28 Liquidation Analysis

To confirm the Plan, the Court must find that all creditors who do not accept the Plan will
receive at least as much under the Plan as such claim holders would receive in Chapter 7

1 liquidation. A liquidation analysis is attached to this Disclosure Statement as "Exhibit C". This
2 analysis lists real property and personal property of the Debtor. Debtor has a liquidation value of
3 \$13,541.40 .

4 Feasibility

5 The Court must find that confirmation of the Plan is not likely to be followed by the
6 liquidation, or the need for further financial reorganization, of the Debtors or any successor to the
7 Debtors, unless such liquidation or reorganization is proposed in the Plan.

8 Ability to Initially Fund the Plan

9 The Debtors believe that they will have either (A) enough cash on hand or (B) sufficient
10 cash flow on the effective date of the Plan to pay all claims and expenses that are entitled to be
11 paid on that date. Tables, showing the amount of cash flow to be available on the effective date of
12 the Plan, and the sources of that cash, are attached to this disclosure statement as "Exhibit B,"
13 Cash Flow Analysis.

14 Ability to Make Future Plan Payments and Operate Without Further Reorganization

15 The Debtors must also show that they will have enough cash over the life of the Plan to
16 make the required Plan Payments. The Debtors' financial projections show that they will have an
17 aggregate surplus cash flow, after paying operating expenses and post-confirmation taxes, as set
18 forth in "Exhibit B." The analysis indicates that there will be sufficient cash flow to pay
19 \$400/month (or \$1200 per quarter) for a total of 20 quarters (5 years) to pay administrative claims
20 and to pay into the general unsecured class. The final Plan payments of these claims are expected
21 to occur about December 5th, 2021.

22 You should consult with your accountant or other financial advisor if you have any
23 questions pertaining to these projections.

24 **VII. EFFECT OF CONFIRMATION PLAN**

25 Discharge of the Debtor

26 On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before
27 confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in
28 § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i)
imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in
accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind

1 specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor
2 will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

3 Modification of the Plan

4 Debtor, or any other party in interest, including a creditor or a trustee (if one has been
5 appointed) may modify the Plan at any time before confirmation of the Plan. The court, however,
6 may require a new Disclosure Statement and/or re-voting on the Plan.

7 The Plan may be modified at any time after confirmation of the Plan, but before the
8 completion of payments under the Plan to (1) increase or reduce the amount of payments under
9 the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or
10 (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the
extent necessary to take on accounting of any payment of a claim made other than under the Plan.

11 Effective as of the date hereof and subject to the limitations and rights contained in the
12 Plan: (a) the Debtors reserve the right, in accordance with the Bankruptcy Code and the
13 Bankruptcy Rules, to amend or modify the Plan prior to the entry of the confirmation order; and
14 (b) after the entry of the confirmation order, the Debtors or the reorganized Debtor, as applicable,
15 may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section
16 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile an inconsistency
17 in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan;
provided, however, that any modification to the Plan shall not affect the rights or treatment of
holders of General Unsecured Claims.

18 Final Decree

19 Once the estate is fully administered, as provided in Rule 3022 of the Federal Rules of
20 Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan
confirmation order, shall file a motion with the Court to obtain a final decree to close the case.
21 Alternatively, the Court may enter such a final decree on its own motion.

22 **VIII. OTHER PLAN PROVISIONS**

23 Vesting of Assets in the Debtor

24 After confirmation of the Plan, all property of Debtor shall vest in them, free and clear of
25 all liens, claims, charges or other encumbrances, except for those liens provided for in the Plan
26 and except for those other liens affected by an order approving a Motion to value and the
27 confirmation order. The Debtor may operate business and may use, acquire or dispose of property
28 and compromise or settle any claims without supervision or approval by the Bankruptcy Court
and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those

1 restrictions expressly imposed by the Plan and the confirmation order. Without limiting the
2 foregoing, the Debtor shall pay the charges that they incur after confirmation for professional
3 fees, disbursements, expenses or related support services (including reasonable fees relating to the
4 preparation of professional fee applications) without application to the Bankruptcy Court.

5 Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes

6 Debtors may take all actions to execute, deliver, file or record such contracts, instruments,
7 releases and other agreements or documents and take such actions as may be necessary or
8 appropriate to effectuate and implement the provisions of the Plan. Pursuant to section 1146(a) of
9 the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any
10 stamp tax or other similar tax or governmental assessment in the united States, and the
11 confirmation order shall direct the appropriate state or local governmental officials or agents to
12 forgo the collection of any such tax or governmental assessment and to accept for filing and
13 recordation instruments or other documents pursuant to such transfers of property without the
14 payment of any such tax or governmental assessment. The Plan, however, does not propose or
15 envision any such transfers.

16 Revocation of Plan

17 Debtor reserves the right to revoke or withdraw the Plan prior to the confirmation hearing
18 and to file subsequent Chapter 11 plans. If the debtor revokes or withdraws the Plan, or if
19 confirmation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any
20 settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts
21 or Unexpired Leases affected by the Plan and any document or agreement executed pursuant
22 hereto shall be deemed null and void except as may be set forth in a separate order entered by the
23 Court; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims
24 by or against, the Debtor or any other entity; (B) prejudice in any manner the rights of the debtor
25 or any other entity; or (c) constitute an admission, acknowledgment, offer or undertaking of any
26 sort by the Debtor or any other entity.

27 Successors and Assigns

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

Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect until the
Court enters the confirmation order. Neither the filing of the Plan, any statement or provision

1 contained in the Disclosure Statement, nor the taking of any action by the Debtor or any other
2 entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any
3 rights of: (1) any Debtor with respect to the holders of claims or other entity; or (2) any holder of
4 a Claim or other entity prior to the effective date of the Plan.

4 Further Assurances

5
6 Debtor or the reorganized Debtor, as applicable, all holders of Claims receiving
7 distributions under the Plan and all other entities shall, from time to time, prepare, execute and
8 deliver any agreements or documents and take any other actions as may be necessary or advisable
9 to effectuate the provisions and intent of the Plan or the confirmation order.

9 Severability

10
11 If, prior to confirmation of the Plan, any term or provision of the Plan is held by the court
12 to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such
13 term or provision to make it valid or enforceable to the maximum extent practicable, consistent
14 with the original purpose of the term or provision held to be invalid, void or unenforceable, and
15 such term or provision then will be applicable as altered or interpreted, provided that any such
16 alteration or interpretation must be in form and substance reasonably acceptable to the Debtor and
17 to the extent such alteration or interpretation affects the rights or treatment of holders of general
18 unsecured claims, such claim holder.

16 Filing of Additional Documents

18 On or before the Effective Date, the Debtor may file with the Court all agreements and
19 other documents that may be necessary or appropriate to effectuate and further evidence the terms
20 and conditions hereof.

21 Dated this Wednesday, February 01, 2017

22 /s/ Wagih Kamar
23 Wagih Kamar
24 *President K & C LV INVESTMENTS, INC*

25 /s/ Seth D. Ballstaedt
26 Seth D. Ballstaedt, Esq.
27 *Attorney for K & C LV INVESTMENTS, INC*

28

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