

E FILED ON 11/18/16
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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:)	BANKRUPTCY NUMBER:
)	BK-S-16-14022-LED
BLANCA CHRISTINA PERALTA,)	Chapter 11
)	
)	
Debtor.)	
_____)	

DISCLOSURE STATEMENT

I.

INTRODUCTION AND REPRESENTATIONS

A. INTRODUCTION

Blanca Christina Peralta, the Debtor in the above-entitled proceeding, provides this Disclosure Statement to all of her known creditors and security holders pursuant to 11 U.S.C. §1125. The purpose of this Disclosure Statement is to provide the information that may be deemed material, important and necessary to the creditors and security holders of Debtor to make a reasonably informed decision in exercising their right to vote for acceptance of the Plan of Reorganization of the Debtor (hereinafter referred to as "The Plan"). The Disclosure Statement will describe the Debtor, describe events that have occurred in the Bankruptcy case, explain the

Plan, how it works and how to vote for or against it. The Plan was filed simultaneously with this Disclosure Statement in the United States Bankruptcy Court of the District of Nevada.

B. REPRESENTATIONS

No representations concerning the Debtor or the Plan are authorized other than as set forth herein. Any representations or inducements to secure your acceptance of the Plan other than as contained herein should not be relied upon by you in arriving at a decision. The information contained herein has not been reviewed or passed upon by an accountant. The Debtor is unable to warrant or represent that the information contained herein is without any inaccuracy although all such information is accurate to the best of Debtor's knowledge, information and belief. The court has not verified the accuracy of the information contained herein, and the Court's approval of this Disclosure Statement does not imply that the Court endorses or approves the Plan, but only that the information is sufficient to provide an adequate basis for creditors and interest holders to make informed decisions whether to approve or reject the Plan. The information contained herein is provided as of the date of this Disclosure Statement unless clearly indicated to the contrary.

II.

GENERAL INFORMATION ON CHAPTER 11 REORGANIZATION PROCEEDINGS

Chapter 11 of the Bankruptcy Code is a remedial statute designed to effect the rehabilitation and reorganization of financially distressed individuals and entities. The statutory aims of a reorganization proceeding include the following:

(a) preservation of the Debtor's property as a going concern and preservation of any going concern value of the Debtor's business and operations;

- (b) avoidance of a forced and destructive liquidation of the Debtor's assets;
- (c) the protection of the interests of creditors, both secured and unsecured;
- (d) the restructuring of the debts of the Debtor and, the finances of the Debtor, such as would enable her to retain those assets necessary to rehabilitate her finances and (at the same time) produce the greatest recovery for her creditors.

The formulation and confirmation of a plan of reorganization is the principal function of a Chapter 11 case. Such a plan normally includes provisions for: (a) altering and modifying rights of creditors; (b) dealing with the property of the Debtor; (c) paying costs and expenses of administering the Chapter 11 case; and (d) execution of the plan. The plan may affect the interests of all parties and creditors, reject executory contracts, and provide for prosecution or settlement of claims belonging to the Debtor. In order to be confirmed by the Court, the Code requires that there be a finding that the plan receive the votes of certain requisite classes and that the plan be "fair, equitable, and feasible," as to any dissenting classes of creditors.

In order for a plan to be "fair and equitable," it must comply with the so-called absolute priority rule. The absolute priority rule requires that beginning with the most senior rank of claims of creditors against the Debtor, each class in descending rank or priority must receive full and complete compensation before inferior or junior classes may participate in the distribution. This rule, has, however been modified for individual debtors. See U.S.C. § 1129(b)(2)(B)(ii), allowing individual debtors to retain property of the estate under §1115. The plan must be accepted by the affirmative vote of a majority (in number of creditors and in amount) of claims filed and allowed by each class, unless adequate provisions are made for the classes of dissenting creditors. In order to fully understand how a plan is confirmed, each individual creditor should review the Plan and

Disclosure Statement with his or her own attorney and receive full advice on the inter-workings of Sections 507(a), 1111, 1122, 1123, 1124 and 1129 of the Code. **THE FOREGOING IS A BRIEF SUMMARY OF THE HIGHLIGHTS OF A PLAN AND CONFIRMATION OF SUCH, AND THIS FOREGOING SUMMARY SHOULD NOT SOLELY BE RELIED ON FOR VOTING PURPOSES. CREDITORS ARE URGED TO CONSULT WITH THEIR OWN COUNSEL BEFORE MAKING ANY DECISIONS ON A PLAN FILED HEREIN.**

In addition to the above, Section 1125 of the Code requires that there be a post-petition disclosure in the form of a disclosure statement which provides "adequate information" to creditors before anyone may solicit acceptances of a Chapter 11 plan. **THIS DISCLOSURE STATEMENT IS PREPARED IN ACCORDANCE WITH SECTION 1125 SO AS TO PROVIDE "ADEQUATE INFORMATION" TO THE CREDITORS IN THIS PROCEEDING. CREDITORS ARE URGED TO CONSULT WITH THEIR OWN INDIVIDUAL COUNSEL AND TO REVIEW ALL OF THE PLEADINGS FILED IN THIS BANKRUPTCY PROCEEDING IN ORDER TO FULLY UNDERSTAND THE DISCLOSURES MADE HEREIN, THE PLAN OF REORGANIZATION FILED HEREIN, AND ANY OTHER PERTINENT MATTERS IN THIS PROCEEDING. ANY PLAN OF REORGANIZATION WILL BE COMPLEX, ESPECIALLY SINCE IT REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY DEBTOR (OR ANY OTHER PROPONENT OF A PLAN), AND ANY INTELLIGENT JUDGMENT CONCERNING ANY PROPOSED PLANS CANNOT BE MADE WITHOUT FULLY UNDERSTANDING THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE FULL COMPLEXITIES OF ANY PLAN PROPOSED HEREIN.**

The Debtor is suited for, and in dire need of, the broad protection afforded by Chapter 11. The Debtor was in a distressed financial condition largely as a consequence of the dramatic downturn in the real estate market and concomitant loss of income. See section IV below. The Debtor has proposed a successful plan of reorganization in the form of the Plan submitted herewith, and plans to solicit approval and acceptance of it by the creditors, but only after there has been judicial approval of this disclosure statement, including any amendments hereto.

III.

PREPARATION OF PLAN

The plan and the history of the Debtor has been prepared by the Debtor, together with the attorney for the Debtor, THOMAS E. CROWE, ESQ..

IV.

BACKGROUND

Debtor is a wage earner with a residence plus one investment property (5601 Little Doe Circle) which is currently rented out. Debtor operates solely as an individual and sole proprietor. Debtor has no “insiders” as defined in 11 U.S.C § 101(31), either within creditor classes or otherwise.

The financing of Debtor’s property located at 5601 Little Doe Circle, Las Vegas Nevada 89130 involved a balloon payment which came due in 2015. Debtor was unable to refinance to pay the balloon and the creditor was unwilling to agree to any workout. Debtor thus was forced to file the instant Bankruptcy to prevent foreclosure of the property, in which Debtor holds considerable equity. The plan pays that creditor, as well as all other creditors, 100% of their claims.

Debtor's post petition operations are clearly detailed on her Monthly Operating Reports which are current through September 2016 Said reports indicate the Debtor's cash flow have been, adequate to make all required payments for the property including principal and interest, taxes and insurance, property management, repairs, HOA fees, maintenance, etc. Debtor has sufficient net income per B22C and Schedules I and J to fund the proposed payments to unsecured creditors under the Plan.

V.

EMPLOYMENT PLAN

Debtor does not employ any other individuals in the operation of her rental property.

VI.

**DESCRIPTION AND STATUS OF CHAPTER 11 PROCEEDINGS AND SUMMARY OF
ASSETS AND LIABILITIES PRIOR TO FILING**

Debtor's intention is that the following property be retained and the secured claims satisfied in full, pursuant to the Plan of Reorganization:

5601 Little Doe Circle, Las Vegas Nevada 89130

The statement of affairs and schedules of assets and liabilities of the Debtor has previously been filed herein and to the best of the knowledge, information and belief of the Debtor, these statements contain an accurate itemization of its assets and liabilities prior to filing.

The Debtor's post-petition finances are, she feels, accurately reflected in the Monthly Operating Reports consistently filed by said Debtor since the date of the Petition. See Monthly Operating Report for September 2016, and attached hereto as Exhibit A. Said reports indicate the

Debtor's cash flow has been, adequate to make all required payments for the property including principal and interest, taxes and insurance, property management, repairs, HOA fees, maintenance, etc. In order to provide adequate protection for Secured Creditors. Debtor has turned over rent payments to secured creditor in advance of confirmation and will supplement those rents with additional monies from personal income in order to satisfy the secured claim in full. Secured Creditors, under the Plan, shall retain their liens, to the extent of the allowed amount of their claims, until the full value of their claims have been paid. Debtor has sufficient net income per form B22C and Schedules I and J to also fund the proposed payments to unsecured creditors under the Plan.

SUMMARY OF ACTIVITIES DURING PROCEEDINGS

On July 21, 2016, Debtor filed a Chapter 11 Voluntary Petition. On July 21, 2016, a meeting of creditors was set for August 25, 2016 at 2:00 p.m. On July 25, 2016, an order was entered setting a status conference for August 30, 2016 at 9:30 a.m. On July 28, 2016, Debtor filed an application to employ Thomas E. Crowe as attorney. On August 23, 2016, Debtor filed a status report. On September 8, 2016, Debtor filed an amended application to employ Thomas E. Crowe as attorney. On September 8, 2016, an order was entered granting employment of attorney. On September 16, 2016, Debtor filed a motion to use cash collateral. On October 4, 2016, Creditors Fred and Phyllis Hawn filed an opposition to Debtor's motion to use cash collateral. On October 11, 2016, Debtor filed a reply to said opposition. On October 19, 2016, Debtor filed monthly operating reports for periods ending July, August and September 2016. On October 24, 2016, Debtor filed a supplement to her motion to use cash collateral. On November 1, 2016, an order was entered granting Debtor's motion to use cash collateral. On November 14,

2016, Debtor filed an Objection to Claim of creditors Frederick C. and Phyllis J. Hawn. On November 16, 2016, Creditors Frederick C. and Phyllis J. Hawn filed a Motion to Dismiss Case or in the Alternative a Motion to Convert Case.

PENDING LITIGATION

None.

VII.

PRESENT FINANCIAL CONDITION : ASSETS

The assets of the Debtor are more fully shown on schedules A and B of the schedules of assets and liabilities filed herein, as well as in post-petition operating reports. The property is proposed to be retained subject to payment of the secured claims of the various creditors over no longer than 30 years, The non-real estate assets of the Debtor are of insignificant value to the estate. **TO THE BEST OF THE KNOWLEDGE, INFORMATION, AND BELIEF OF THE DEBTOR, THESE STATEMENTS AND SCHEDULES CONTAIN AN ACCURATE ITEMIZATION OF THE ASSETS AND LIABILITIES OF THE DEBTOR PRIOR TO FILING. CREDITORS ARE URGED TO SCRUTINIZE THE STATEMENT OF AFFAIRS AND SCHEDULES OF ASSETS AND LIABILITIES CLOSELY, AS WELL AS POST-PETITION OPERATION STATEMENTS, AND MAY INQUIRE WITH THE DEBTORS AND THEIR ATTORNEYS AS TO ANY PERTINENT FACTS REGARDING THESE MATTERS, SO THAT CREDITORS MAY BE ASSURED THAT FULL DISCLOSURE AND "ADEQUATE INFORMATION" ARE BEING FURNISHED WITH REGARD TO ASSETS AND LIABILITIES.**

The assets of the Debtor are described further in the Liquidation Value analysis on page 11 infra. The property to be modified through the Plan, at 5601 Little Doe Circle, Las Vegas Nevada 89130, has significant equity for the estate since the lien value of the property exceeds the lien against it. Debtor also owns her residence free and clear.

LIABILITIES

The liabilities of the Debtor are set forth in schedules D through F of the schedules filed herein, as well as in post-petition operating reports. Liabilities not listed as disputed are deemed allowed under § 11 U.S.C. §1111(a). None of the unsecured claims listed by Debtor are disputed. The claims register in this case indicates that unsecured claims in the amount of \$5,195.85 have been filed as well as secured claims of \$225,123.44. Were it not for the undersecured claimants, all unsecured creditors would be paid in full under the Plan. Undersecured creditors, however, are entitled to a bifurcated claim under the Plan. For each undersecured claim, the Plan provides, in accordance with 11 U.S.C. 1111 (b)(1)(A), that such creditors shall have both a secured claim for the value of their claims as set forth in Article VI above, as well as an unsecured claim for the balance of the claim over and above the value of the collateral.

The Plan proposes to bifurcate certain secured claims as detailed in section VI into secured and unsecured amounts. Secured claims are to be paid through equal monthly payments over no longer than 30 years. Unsecured creditors are to be paid 100% over no longer than 5 years under 11 U.S.C §1129(a)(15)(B), which references §1325(b)(2) of the Code.

TO THE BEST OF DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF THE LIABILITIES SET FORTH HEREIN AND ON SAID SCHEDULES CONSTITUTE A FULL AND COMPLETE ESTIMATION OF ALL LIABILITIES OF THE DEBTOR, AND

THE AMOUNTS THEREOF (EXCLUDING INTEREST, ATTORNEY'S FEES AND ANY OTHER UNKNOWN OR VARIABLE FACTS, BEARING ON THE AMOUNT OF THE LIABILITIES). CREDITORS ARE URGED TO FULLY REVIEW WITH THEIR ATTORNEYS (AND CONSULT WITH THE DEBTOR AND THEIR ATTORNEY) THE SCHEDULES OF LIABILITIES FILED HEREIN, TOGETHER WITH THE MONTHLY OPERATION REPORTS FILED WITH THIS COURT.

VALUATION

The Debtor believes that the valuation of her assets shown on the schedules and by appraisal is a fair estimate, if the assets were sold at full market value. In the event, however, of the adjudication of the Debtor into a straight bankruptcy proceeding and the subsequent liquidation of her property over a short period of time (and possibly at forced sale values), it is highly possible that a significantly lower value might be received for their property, especially in view of the present economic climate. In all cases, Debtor has agreed with the creditor as to the resolution of value or discrepancies in value are in a narrow range whereby such values will be settled prior to confirmation. The Debtor believes that she may achieve the greatest value for her property and recovery for creditors through a Plan of Reorganization which will be proposed by the Debtor herein.

LIQUIDATION VALUE

In the event of any adjudication into a straight bankruptcy liquidation proceeding, the Debtor would suggest to creditors that they will be able to look for recovery from property sold by the Trustee only at a straight liquidation sale. The assets of the Debtor under a Chapter 7 would be liquidated as follows:

Item	Current Value	Liens	Liquidation Value	Rent Produced
5601 Little Doe Circle, Las Vegas Nevada 89130	\$265,000.00	\$222,398.95	\$42,601.05	\$1,250.00 per month
3104 Tabor Avenue, North Las Vegas, Nevada 89030	\$90,000.00	\$00.00	\$00.00*	N/A
Checking Account and Cash	\$1,500.00	\$00.00	\$500.00	N/A
Furnishings/clothing/household goods	\$5,000.00	\$00.00	\$00.00 *	N/A
Owed to Debtor (loan to daughter)	\$5,300.00	\$00.00	\$5,300.00	N/A
Totals	\$366,800.00	\$222,398.95	\$48,401.05	\$1,250.00

* Exempt items under Nevada law

The Debtor alleges and proposes that the value which she would receive for her property in liquidation would be substantially less than would be received through a plan of reorganization, yielding a diminished recovery, especially for general unsecured creditors, for the following reasons:

(1) Secured creditors must be paid in full first from the sale of the encumbered assets before unsecured creditors may receive any funds. Therefore, in case of a forced bankruptcy liquidation, little recovery may be yielded for unsecured creditors, and in case of a forced liquidation through bankruptcy or otherwise, the equity of the Debtor's property will probably be eroded, thereby jeopardizing potential recoveries for junior lienholders as well.

(2) In connection with the above logic, administrative expenses would also be paid on a priority basis and before the general, unsecured creditors would receive any funds. Administrative expenses in liquidation proceedings often amount to between 10% and 25% of the value of the property liquidated. In this case, a substantial amount of potential equity could be "eaten up" by administrative expenses and court costs incurred with the liquidation proceedings, which would probably exceed the administrative expenses in a reorganization proceeding.

(3) A forced sale of the property owned by Debtor, through a straight bankruptcy proceeding,

rather than an orderly realization of value in a reorganization proceeding, may erode considerably the potential value of the Debtor's assets for junior lienholders and unsecured creditors. For example, a bankruptcy trustee in a straight liquidation bankruptcy proceeding would be forced to sell the property at public auction and the bankruptcy trustee would probably not be able to guarantee that the prices paid for the assets would be reasonable or appropriate to the value paid by the Debtor; rather, the prices paid might have to be in cash and at a reduced market value price. The liquidation value has been calculated at approximately \$48,401.00.

FEASIBILITY

The rent generated by the property, along with other income, is sufficient to cover necessary payments to all oversecured and undersecured creditors, so that they can be fully paid pursuant to the value of the various claims. These funds are sufficient to also pay for taxes, insurance, maintenance and repairs to the collateral, utilities, HOA dues, etc., all necessary expenses for the property. The rent generated from the property along with other income appear to be sufficient to cover these expenses plus principal and interest payments pursuant to the claims filed.

ADMINISTRATIVE CLAIMS AND PRIORITY DEBTS

(UNCLASSIFIED CLAIMS)

In the event that the Debtor is adjudicated into a straight bankruptcy proceeding, and if her assets are sold, the trustee will be required to pay from the proceeds of the property the following expenses and/or debts in the following order:

- (1) First, all secured claims validly secured by any property sold would have to be paid from the sales proceeds.
- (2) Thereafter, administrative claims would have to be paid in full.

(3) Thereafter, priority debts and especially taxes, wages and union benefits owing at filing would have to be paid in full.

(4) Thereafter, unsecured claims would receive any residual equity from the proceeds of the property sold or administered. (It should be noted that junior lienholders and/or other creditors who are inadequately secured would be relegated to an unsecured status, if their security does not prove sufficient to pay their claims).

In a straight bankruptcy liquidation proceeding, administrative costs would include court costs, debts incurred during the pendency of the reorganization, and any professional fees which may be paid to auctioneers, attorneys, accountants, trustee (if any), and an examiner (if any).

In a reorganization proceeding, the creditors could expect that administrative expenses would principally be attorney's fees, which will probably exceed \$20,000.00 in this case. Please review the following disclaimer.

ADMINISTRATIVE EXPENSES AND CLAIMS CAN ONLY BE FIXED AND DETERMINED BY THE BANKRUPTCY JUDGE IN THIS CASE, AND THE DEBTOR WOULD RECOMMEND THAT EACH CREDITOR OBTAIN THE ADVICE OF HIS OR HER OWN INDIVIDUAL ATTORNEY TO THE PROBABILITY AND AMOUNT OF ANY ADMINISTRATIVE CLAIMS WHICH MAY BE PAID IN PREFERENCE TO CLAIMS OF GENERAL UNSECURED CREDITORS AND IN MAKING AN EVALUATION AS TO WHETHER A REORGANIZATION EFFORT WOULD BE PREFERABLE TO A LIQUIDATION OF THE ASSETS OF THE DEBTOR IN A STRAIGHT BANKRUPTCY PROCEEDING.

The administrative claims will have significant bearing on the decision of each individual

creditor in voting in favor of or against the plan of reorganization. The Debtor would suggest to creditors that administrative claims will be significantly less if a plan of reorganization is confirmed, as opposed to a straight bankruptcy liquidation proceeding. Aside from attorney fees, the only other administrative expenses in this case are the expenses of maintenance and repair of the various properties as well as taxes and insurance and HOA dues as necessary, all of which are current, along with U.S. Trustee fees, which are also current. There are no other priority debts in this case aside from administrative expenses.

VIII.

TAX IMPACT OF CHAPTER 11 REORGANIZATION

Under 26 U.S.C. §1398, the commencement of a Chapter 11 Bankruptcy case by an individual creates a Bankruptcy Estate that must file a Form 1041 income tax return reporting the income of the estate. A joint petition filed by spouses under 11 U.S.C. §302 creates two taxable Bankruptcy Estates. *In re Knobel*, 167 B.R. 436 (Bankr. W.D. Tex. 1994). The estates report the income of the Debtors to which the estates are entitled under the Bankruptcy Code. 26 U.S.C. § 1398(e). This includes earnings received from the Debtors' post-petition services that are brought into the estate by operating of 11 U.S.C. §1115(a)(2). Notice 2006-83, 2006-2 C.B. 596. Any tax due on the Form 1041 returns filed by the estate is an administrative expense of the estates. 11 U.S.C. §503(b).

Under 26 U.S.C. §1398, the obligation of the estates to file Form 1041 returns continues until the estates terminate. Under 26 U.S.C. §108(b), cancellation of debt income triggered by a Bankruptcy discharge may be excluded under 26 U.S.C. §108(a)(1). However, such exclusion results in a reduction of tax attributes such as net operating losses and basis in property. Such

reductions may affect future tax liabilities and are reported on Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness. Under 11 U.S.C. §1129(a)(9)(C)(ii), pre-petition priority tax claims must be paid over a period of “5 years after the date of the order for relief”, unless the taxing authority agrees to a different treatment. This rule applies also to secured claims that would otherwise constitute priority obligations.

IX.

SUMMARY OF THE PLAN OF REORGANIZATION

The Debtor’s Plan, which was filed with this Court, proposes to divide the creditors into four classifications: (a) Unclassified debts, (b) Oversecured Debts, (c) Undersecured Debts; and (d) Unsecured Debts.

a. **Unclassified Debts.** The Administrative Debts include attorney's fees in the amount of approximately \$20,000.00; The quarterly payments to the Office of the United States Trustee, pursuant to 11 U.S.C. §1129 (a)(12) shall be paid in full on or by the effective date of the Plan. Additionally, the United States Trustee fees must be paid during the entire pendency of the case, pursuant to 28 U.S.C §1930(a)(6). The total cash needed by Debtor to secure confirmation of the Plan will be under \$25,000.00. No priority debt exists.

b. **Oversecured Debts.**

Class 1-A; Impaired Creditor: Frederick & Phyllis Hawn; Collateral: 5601 Little Doe Circle, Las Vegas Nevada 89130; Treatment: Allowed amount of secured claim: \$202,000.00. 5.5% interest paid at \$1,146.93 Principal and Interest per month starting January 1, 2017 through December 1 2036 or until secured claim is paid in full, whichever is sooner. (Pre-confirmation

adequate protection payments credited to principal balance.) Liens to be retained to full amount of secured claim until paid in full. Debtors are to maintain and stay current with escrow fees. (Debtor to be credited for rent payments turned over) . See attached copy of Article IV of the Plan, Exhibit B.

Class 1-B; Unimpaired Creditor: Clark County Treasurer; Collateral: 5601 Little Doe Circle, Las Vegas Nevada 89130, Treatment: Paid as required. . See attached copy of Article IV of the Plan, Exhibit B.

c. **Undersecured Debts.**

N/A

d. **Unsecured Debts.** The unsecured creditors, including bifurcated under secured claims, will receive pro rata payments of excess income available on a monthly basis, estimated be at 100% per cent on the dollar to all filed, settled and allowed claims. Contingent or unliquidated claims will not be paid. Creditors should note that, in the case that an unsecured creditor objects to confirmation, Debtor must pay not less than her projected disposable income, to be received over the following five years, under 11 U.S.C. §1129(a)(15)(B). Unsecured creditors should be aware of the effect of this statute on the payment of their claims. In case of a filed objection by an unsecured creditor, Debtor must pay all her disposable income projected over the forthcoming five year period. This number may or may not exceed liquidation value. Should it exceed liquidation value, however, Debtor must pay the higher amount to creditors. At this point, future projected disposable income is not expected to exceed the liquidation value of the estate, but will exceed filed unsecured claims so that 100% can be paid to such creditors. The following analysis is intended to estimate the

projected disposable income for the five years following the filing on the petition.

SCHEDULE OF MONTHLY PROJECTED CASH FLOWS FOR 2016 THROUGH 2020

	2016	2017	2018	2019	2020
Projected Income:					
1. Rents:	\$1,250.00	\$1,250.00	\$1,250.00	\$1,250.00	\$1,250.00
Employment:	\$2,000.00	\$2,050.00	\$2,100.00	\$2,150.00	\$2,200.00
TOTAL:	\$3,250.00	\$3,300.00	\$3,350.00	\$3,400.00	\$3,450.00
Projected Expenditures:					
1. Rent or home mortgage payment:	\$00.00	\$00.00	\$00.00	\$00.00	\$00.00
2. Utilities:					
a. Electricity and heating fuel:	\$200.00	\$204.00	\$208.00	\$212.00	\$216.00
b. Water/Sewer/Trash:	\$150.00	\$153.00	\$156.00	\$159.00	\$162.00
c. Telephone/cable/internet:	\$150.00	\$153.00	\$156.00	\$159.00	\$162.00
3. Home maintenance (repairs and upkeep):	\$150.00	\$153.00	\$156.00	\$159.00	\$162.00
4. Food:	\$400.00	\$416.00	\$432.00	\$448.00	\$464.00
5. Clothing:	\$50.00	\$51.00	\$52.00	\$53.00	\$54.00
6. Transportation (not including car payment):	\$200.00	\$204.00	\$208.00	\$212.00	\$216.00
7. Medical/Dental:	\$50.00	\$51.00	\$52.00	\$53.00	\$54.00
8. Personal Care:	\$100.00	\$102.00	\$104.00	\$106.00	\$108.00
9. Entertainment/charity:	\$125.00	\$127.00	\$129.00	\$131.00	\$134.00
10. Taxes:					
a. Residence(current):	\$50.00	\$51.00	\$52.00	\$53.00	\$54.00
b. Property (delinquent)	\$50.00	\$51.00	\$52.00	\$53.00	\$54.00
11. Rental Property:	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00
12. Average monthly expenses:	\$3,115.00	\$3,165.00	\$3,215.00	\$3,265.00	\$3,315.00

13. Statement of monthly net income					
a. Average monthly income: \$3,250.00	\$3,300.00	\$3,350.00	\$3,400.00	\$3,450.00	
b. Average monthly expenses\$3,115.00	\$3,165.00	\$3,215.00	\$3,265.00	\$3,315.00	
c. Monthly net income: \$135.00	\$135.00	\$135.00	\$135.00	\$135.00	
Summary of PDI by year:	\$1,620.00	\$1,620.00	\$1,620.00	\$1,620.00	\$1,620.00
TOTAL PDI ⁵ :	\$8,100.00				

1= income is projected to increase at 2% per annum based on historical norms (incomes fell in 2009.)

2= generally based upon 2% inflation estimate.

3= tax increases limited by loss carry forwards.

4= home maintenance costs for rentals, as properties age; are expected to increase beyond normal inflation.

5= creditors should note projection are less than the amount offered as a dividend in the Plan. Liquidation value exceeds disposable income.

X.

RISK FACTORS

Based upon the income history of the Debtor-in-possession over the last year, the risk of voting for the plan and receiving 100% repayment, which is what the Debtor propose to pay as a minimum to the unsecured creditors under this plan, is far preferable than the prospect of receiving funds from the liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. There are, however, certain risk factors which must be noted. First, it is possible that the real estate market will decline, in which case Debtor may have to decide that a modified Plan to sell the properties prior to further loss of value would be contemplated. Second, payments to the unsecured creditors in this individual case is dependent on the continued income of Debtor. Debtor knows of no potential event which would change income during the 5 disposable income period but, if that occurred, a modification of the Plan may be proposed. See Article XI. B *infra*.

XI.

APPROVAL OF PLAN

In order to obtain confirmation of the Plan by the Bankruptcy Court, the Plan must be accepted by a majority of the creditors in each class who hold at least two-thirds of the titled claims in each respective class. Other requirements for confirmation are contained in 11 U.S.C § 1129(a) and (b) of the Code.

Under the Bankruptcy Code, as long as the Plan is accepted by the holders of claims or interest in at least one class, the Plan may be confirmed by the Bankruptcy Court "cramming down" the Plan provision against the non-accepting classes of creditors. The provisions for effecting a "cramming down" are very detailed and complex, and reference to the Bankruptcy Code is recommended in affecting it on dissenting creditors. The Debtor has not decided whether she will utilize the "cramming down" provisions of the Bankruptcy Code to obtain confirmation of the Plan if the holders of claims or interests in any class do not accept the Plan. This determination will be made at a later date. Creditors should note that the absolute priority rule does not apply in the case of an individual Debtor under 1129(b)(2)(B)(ii).

A. Who May Vote or Object.

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

A holder of a claim which is impaired under the Plan is entitled to vote for or against the Plan. Votes for and against the Plan are tabulated within classes and reflected on a ballot summary filed prior to the confirmation of the Plan. Acceptance is determined within each class by counting both the number of votes and the size of claims for each claim within the class. See section B.1

below.

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

In this case, the Plan Proponent believes that all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

1. What is an Allowed Claim or an Allowed Equity Interest?

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

A creditor which elects under 11 U.S.C. §1111(b) is entitled to have its entire claim treated as a secured claim without interest. The total of all principal and interest payments such creditor must equal or exceed the amount of said secured claims although the amounts of said payments is still based upon the actual value of the collateral plus a reasonable interest rate over time.

The deadline for filing a proof of claim in this case is November 23, 2016.

2. **What is an Impaired Claim or Impaired Equity Interest?**

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

3. **Who is NOT Entitled to Vote.**

The holders of the following five types of claims and equity interests and not entitled to vote:

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

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. **Who Can Vote in More Than One Class.**

A Creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise holds claims in multiple classes, is entitled to accept or reject the Plan in each capacity, and should cast one ballot for each claim. A Creditor who has elected

under 11 U.S.C. § 1111(b) has no unsecured claim by definition and is therefore entitled to vote as a secured creditor only.

B. Votes Necessary to Confirm the Plan.

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

1. Votes Necessary to Confirm the Plan.

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

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

2. Treatment of Nonaccepting Classes.

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

that has not voted to accept the Plan.

As of January 28, 2016, the Ninth Circuit has now determined that a plan may not be “crammed down” on a dissenting unsecured creditor class if the Debtor proposes to retain certain pre-petition property. A Chapter 11 individual Debtor may retain post-petition acquired property under Code §1115 (in this case primarily post-petition earnings) but not pre-petition property under Code §541, in the case of a dissenting class of unsecured creditors. See Zachary v. California Bank and Trust, 2016 WL 360519 (9th Cir. 2016). An exception to this narrow view would allow an individual Debtor to retain pre-petition property as well, to the extent she contributes “new value” to the estate. Debtor does not believe in this case that cramdown will be necessary because of what should be a consensual plan, and if so, the absolute priority rule will not be implicated. Debtor here will argue, if cramdown becomes necessary, that she has contributed or will contribute “new value” to the estate from exempt or other assets.

What follows is the Debtor’s legal position regarding the meaning of the Zachary decision. This should not be taken as settled law. The absolute priority rule was designed to prevent the unseemly result of shareholders in a large corporation retaining ownership while at the same time wiping out the interests of bondholders. The rule is ill-suited to individual Debtor for two reasons. First, an individual Debtor, unlike corporations, have exemptions. Under Code §522(c), exempt property “is not liable during or after the case for any debt of the Debtor that arose... before the commencements of the case....” “Property,” under Code §1129(b)(2)(B)(ii) thus does not include property exempted out of the estate by Code §522. Second, Code §1129(b)(2)(B)(ii) also contains an exception for any “property included in the estate under §1115.” This, in most cases, removes post-petition earnings and other after-acquired property

from the calculation of what property may not be retained by the individual Debtor. In this Debtor's view, the only property therefore which may not be retained by a Debtor in a §1129(b)(2)(B)(ii) cramdown would be property in existence at the commencement of the case which is not exempt.

To the extent an individual Debtor seeks to retain such property in a cramdown situation, he or she must presumably contribute "new value." The Ninth Circuit has stated that the new value rule is not an "exception" to the absolute priority rule, but rather a "corollary principle." In re Bonner Mall Partnership, 2 F. 3d 899, 906 (9th Cir. 1993). The Ninth Circuit views the new value rule as a mathematical corollary of the absolute priority rule. In the instant case, Debtor seeks to retain non-exempt commencement date property with a net value of \$8,100.00. Her plan, however, proposes that, upon objection by an unsecured creditor, Debtor must pay up to \$8,100.00 from her post-petition earnings. Since post-petition earnings may be retained by an individual Debtor post-cramdown under Zachary, Debtor provides new value by contributing such earnings in an amount sufficient to cover the value of property being retained by Debtor. This result is consistent with the Supreme Court's holding in Norwest Bank Worthington v. Ahlers, 485 U.S. 197 (1988) since Debtor compensates for retention of pre-petition property by paying new value from post-petition earnings. Similarly, a Debtor could utilize exempt property to mathematically offset the value of property retained. See, e.g., In re Henderson, 321 B.R. 550 (Bankr. M.D. Fla. 2005); In re Egan, 142 B.R. 730, 733 (Bankr. E. D. Pa. 1992).

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

C. Liquidation Analysis.

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. A liquidation analysis is part of this Disclosure Statement on page 11.

ARTICLE XII

EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtor

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

B. Modification of Plan.

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

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

the Plan.

C. Final Decree

Once the estate has been fully administrated, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, 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. Alternatively, the Court may enter such a final decree on its own motion.

DATED this 18th day of November, 2016.

THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION

By /s/ THOMAS E. CROWE
THOMAS E. CROWE, ESQ.
2830 S. Jones Blvd. #3
Las Vegas, Nevada 89146
Attorney for Debtor-in-Possession

VERIFICATION

STATE OF NEVADA)
 ss:
COUNTY OF CLARK)

Blanca Christina Peralta, being first duly sworn, deposes and says:

That she is the Debtor above-named, and that she has read the above and foregoing Disclosure Statement and knows the contents thereof, and that the same is true of her own knowledge except for those matters therein stated on information and belief, and as for those matters she believe them to be true.

/s/BLANCA CHRISTINA PERALTA
BLANCA CHRISTINA PERALTA

SUBSCRIBED and SWORN to before me

This 18th day of November, 2016.

/s/ PAMELA POULSEN
NOTARY PUBLIC in and for said
County and State.

###

EXHIBIT A

EXHIBIT A

E FILED ON 10/19/16
THOMAS E. CROWE, ESQ.
THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION
tcrowe@thomascrowelaw.com
2830 S. Jones Blvd. #3
Las Vegas, Nevada 89146
(702) 794-0373
Attorney for Debtor-in-possession
Nevada State Bar no. 3048

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:)	BANKRUPTCY NUMBER:
)	BK-S-16-14022-LED
BLANCA CHRISTINA PERALTA,)	Chapter 11
)	
)	
Debtor.)	
_____)	

MONTHLY OPERATING REPORT

The above mentioned Debtor hereby submits, by and through her attorney, THOMAS E. CROWE, ESQ., the Monthly operating report for the period ending September 2016.

DATED this 19th day of October, 2016.

THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION

By /s/ THOMAS E. CROWE
THOMAS E. CROWE, ESQ.
2830 S. Jones Blvd. #3
Las Vegas, NV 89146
Attorney for Debtor-
in-possession

###

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: PERALTA, BLANCA

Case No. 16-14022-LED

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 09/30/16

PETITION DATE: 07/21/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

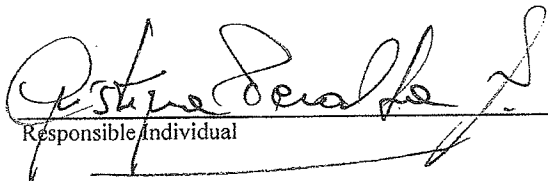
	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$2,260	\$80	
b. Total Assets	\$362,260	\$360,080	\$361,500
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$193,711	\$193,711	\$193,711
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	
a. Total Receipts	\$3,250	\$1,250	\$4,500
b. Total Disbursements	\$1,070	\$2,373	\$3,740
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$2,180	(\$1,123)	\$760
d. Cash Balance Beginning of Month	\$80	\$1,203	\$1,500
e. Cash Balance End of Month (c + d)	\$2,260	\$80	\$2,260
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	
	N/A	N/A	N/A
5. Account Receivables (Pre and Post Petition)	\$0		
6. Post-Petition Liabilities	\$0		
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | _____ |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | _____ |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | _____ | _____ |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | _____ | _____ |
| 12. Is the estate insured for replacement cost of assets and for general liability? | _____ | _____ |
| 13. Are a plan and disclosure statement on file? | _____ | _____ |
| 14. Was there any post-petition borrowing during this reporting period? | _____ | _____ |
| 15. Check if paid: Post-petition taxes _____; U.S. Trustee Quarterly Fees _____; Check if filing is current for: Post-petition tax reporting and tax returns: _____.
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) | | |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 10/19/16



 Responsible Individual

BALANCE SHEET
 (Small Real Estate/Individual Case)
 For the Month Ended 09/30/16

Assets	Check if Exemption Claimed on Schedule C	Market Value
Current Assets		
1 Cash and cash equivalents (including bank accts., CDs, etc.)	X(\$1000)	\$2,260
2 Accounts receivable (net)		
3 Retainer(s) paid to professionals		
4 Other: _____		
5 _____		
6 Total Current Assets		<u>\$2,260</u>
Long Term Assets (Market Value)		
7 Real Property (residential)	X	\$90,000
8 Real property (rental or commercial)		\$265,000
9 Furniture, Fixtures, and Equipment	X	\$5,000
10 Vehicles		
11 Partnership interests		
12 Interest in corporations		
13 Stocks and bonds		
14 Interests in IRA, Keogh, other retirement plans		
15 Other: _____		
16 _____		
17 Total Long Term Assets		<u>\$360,000</u>
18 Total Assets		<u><u>\$362,260</u></u>
Liabilities		
Post-Petition Liabilities		
Current Liabilities		
19 Post-petition not delinquent (under 30 days)		
20 Post-petition delinquent other than taxes (over 30 days)		
21 Post-petition delinquent taxes		
22 Accrued professional fees		
23 Other: _____		
24 _____		
25 Total Current Liabilities		<u>\$0</u>
26 Long-Term Post Petition Debt		
27 Total Post-Petition Liabilities		<u>\$0</u>
Pre-Petition Liabilities (allowed amount)		
28 Secured claims (residence)		\$189,000
29 Secured claims (other)		\$0
30 Priority unsecured claims		
31 General unsecured claims		\$4,711
32 Total Pre-Petition Liabilities		<u>\$193,711</u>
33 Total Liabilities		<u>\$193,711</u>
Equity (Deficit)		
34 Total Equity (Deficit)		<u>\$168,549</u>
35 Total Liabilities and Equity (Deficit)		<u><u>\$362,260</u></u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

**Schedule A
Rental Income Information**

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	5601 LITTLE DOE CIR		
2 Scheduled Gross Rents	\$1,250		
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$796	\$0	\$0
7 Scheduled Net Rents	\$454	\$0	\$0
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)	\$454	\$0	\$0

(2) To be completed by cash basis reporters only.

**Schedule B
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	CHASE	WELL FARGO	
11 Account No.	995429347	2430433777	
12 Account Purpose	GENERAL	DIP	
13 Balance, End of Month	\$0	\$2,260	
14 Total Funds on Hand for all Accounts	\$2,260		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/16

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected	\$1,250	\$2,500
2 Cash Received from Sales		
3 Interest Received		
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders	\$2,000	\$2,000
6 Capital Contributions		
7		
8		
9		
10		
11		
12 Total Cash Receipts	\$3,250	\$4,500
Cash Disbursements		
13 Selling		
14 Administrative		
15 Capital Expenditures		
16 Principal Payments on Debt		
17 Interest Paid		
Rent/Lease:		
18 Personal Property		
19 Real Property		
Amount Paid to Owner(s)/Officer(s)		
20 Salaries		
21 Draws	\$104	\$1,857
22 Commissions/Royalties		
23 Expense Reimbursements		
24 Other		
25 Salaries/Commissions (less employee withholding)		
26 Management Fees		
Taxes:		
27 Employee Withholding		
28 Employer Payroll Taxes		
29 Real Property Taxes		
30 Other Taxes		
31 Other Cash Outflows:		
32 INSURANCE		
33 UTILITIES	\$286	\$1,033
34 REPAIRS & SUPPLIES	\$510	\$510
35 HOA	\$170	\$340
36		
37 Total Cash Disbursements:	\$1,070	\$3,740
38 Net Increase (Decrease) in Cash	\$2,180	\$760
39 Cash Balance, Beginning of Period	\$80	\$1,500
40 Cash Balance, End of Period	\$2,260	\$2,260

Julio 21 - 30

30-Jul NEVADA POWER	\$ 280.36
30-Jul GAS	\$ 16.25

AGOSTO

1-Aug CELL PHONE	\$ 50.00
8-Aug WATER	\$ 52.24
9-Aug LOS PRADOS ASSOCIATION	\$ 170.00
9-Aug ST FRANCIS SCHOOL	\$ 470.00
20-Aug SEWER	\$ 61.42
27-Aug GAS	\$ 16.83
27-Aug NV ENERGY	\$ 319.12

SEPTIEMBRE

1-Sep CELL PHONE	\$ 50.00
5-Sep WATER	\$ 42.75
10-Sep ASSOCIATION LOS PRADOS	\$ 170.00
10-Sep REPUBLIC SERVICE	\$ 43.53
22-Sep NEVADA POWER	\$ 199.90
12-Aug SEGURO DE LA TABOR	\$ 430.00
12-Aug AGUA TABOR	\$ 80.00
12-Aug COMIDA DEL MES	\$ 300.00

OCTÚBRE

1-Oct CELL PHONE	\$ 50.00
4-Oct WATER DISTRICT	\$ 47.59

Wells Fargo Combined Statement of Accounts

Primary account number: 2430433777 ■ September 1, 2016 - September 30, 2016 ■ Page 1 of 5



BLANCA C PERALTA
 DEBTOR IN POSSESSION
 CH 11 CASE #16-14022(NV)
 3104 TABOR AVE
 NORTH LAS VEGAS NV 89030-8720

Questions?

Available by phone 24 hours a day, 7 days a week:
 Telecommunications Relay Services calls accepted

1-800-TO-WELLS (1-800-869-3557)

TTY: 1-800-877-4833

En español: 1-877-727-2932

華語 1-800-288-2288 (6 am to 7 pm PT, M-F)

Online: wells Fargo.com

Write: Wells Fargo Bank, N.A. (825)
 P.O. Box 6995
 Portland, OR 97228-6995

You and Wells Fargo

Thank you for being a loyal Wells Fargo customer. We value your trust in our company and look forward to continuing to serve you with your financial needs.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wells Fargo.com or call the number above if you have questions or if you would like to add new services.

- | | | | |
|--------------------|--------------------------|-----------------------|--------------------------|
| Online Banking | <input type="checkbox"/> | Direct Deposit | <input type="checkbox"/> |
| Online Bill Pay | <input type="checkbox"/> | Auto Transfer/Payment | <input type="checkbox"/> |
| Online Statements | <input type="checkbox"/> | Overdraft Protection | <input type="checkbox"/> |
| Mobile Banking | <input type="checkbox"/> | Debit Card | <input type="checkbox"/> |
| My Spending Report | <input type="checkbox"/> | Overdraft Service | <input type="checkbox"/> |

Summary of accounts

Checking/Prepaid and Savings

Account	Page	Account number	Ending balance last statement	Ending balance this statement
Wells Fargo Everyday Checking	2	2430433777	55.00	2,235.00
Wells Fargo Way2Save Savings	3	8464923682	25.00	25.00
Total deposit accounts			\$80.00	\$2,260.00

Primary account number: 2430433777 ■ September 1, 2016 - September 30, 2016 ■ Page 2 of 5



Wells Fargo Everyday Checking

Activity summary

Beginning balance on 9/1	\$55.00
Deposits/Additions	3,250.00
Withdrawals/Subtractions	- 1,070.00
Ending balance on 9/30	\$2,235.00

Account number: 2430433777

BLANCA C PERALTA
DEBTOR IN POSSESSION
CH 11 CASE #16-14022(NV)

Nevada account terms and conditions apply

For Direct Deposit use
Routing Number (RTN): 321270742

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.

Transaction history

Date	Check Number	Description	Deposits/ Additions	Withdrawals/ Subtractions	Ending daily balance
9/6		Deposit Made In A Branch/Store	2,000.00		
9/6		ATM Check Deposit on 09/06 4850 W. Craig Rd Las Vegas NV 0006343 ATM ID 9912J Card 3045	1,250.00		3,305.00
9/13		ATM Withdrawal authorized on 09/13 4850 W. Craig Rd Las Vegas NV 0008549 ATM ID 9912J Card 3045		300.00	3,005.00
9/22	99	Check		470.00	2,535.00
9/26		ATM Withdrawal authorized on 09/24 4850 W. Craig Rd Las Vegas NV 0001828 ATM ID 9912J Card 3045		300.00	2,235.00
Ending balance on 9/30					2,235.00
Totals			\$3,250.00	\$1,070.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount
99	9/22	470.00

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wells Fargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 09/01/2016 - 09/30/2016 Standard monthly service fee \$10.00 You paid \$0.00

We waived the fee this fee period to allow you to meet the requirements to avoid the monthly service fee. This is the final period with the fee waived. For the next fee period, you need to meet the requirement(s) to avoid the monthly service fee.

How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
Minimum daily balance	\$1,500.00	\$55.00 <input type="checkbox"/>
Total amount of qualifying direct deposits	\$500.00	\$0.00 <input type="checkbox"/>
Total number of posted Wells Fargo Debit Card purchases and/or payments	10	0 <input type="checkbox"/>

Primary account number: 2430433777 ■ September 1, 2016 - September 30, 2016 ■ Page 3 of 5



Monthly service fee summary (continued)

How to avoid the monthly service fee	Minimum required	This fee period
<ul style="list-style-type: none"> The fee is waived when the account is linked to a Wells Fargo Campus ATM or Campus Debit Card 		

Monthly service fee discount(s) (applied when box is checked)

Age of primary account owner is 17 - 24 (\$5.00 discount)

IMPORTANT ACCOUNT INFORMATION

To verify your identity when you contact us, we may use a service that compares information your mobile or wireless operator has with information you have provided us. Please refer to our Privacy Policy for how we treat your data.

Is your wireless operator authorized to provide information to assist in verifying your identity?

Yes, and we may rely on this information to assist in verifying your identity.

You authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMEI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare information you have provided to Wells Fargo with your wireless operator account profile information for the duration of the business relationship.

You may opt out by contacting your mobile or wireless operator directly.

Wells Fargo Way2Save® Savings

Activity summary

Beginning balance on 9/1	\$25.00
Deposits/Additions	0.00
Withdrawals/Subtractions	- 0.00
Ending balance on 9/30	\$25.00

Account number: 8464923682

BLANCA C PERALTA
DEBTOR IN POSSESSION
CH 11 CASE #16-14022(NV)

Nevada account terms and conditions apply

For Direct Deposit use
Routing Number (RTN): 321270742

Interest summary

Interest paid this statement	\$0.00
Average collected balance	\$25.00
Annual percentage yield earned	0.00%
Interest earned this statement period	\$0.00
Interest paid this year	\$0.00

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 09/01/2016 - 09/30/2016 Standard monthly service fee \$5.00 You paid \$0.00

Primary account number: 2430433777 ■ September 1, 2016 - September 30, 2016 ■ Page 4 of 5



Monthly service fee summary (continued)

We waived the fee this fee period to allow you to meet the requirements to avoid the monthly service fee. This is the final period with the fee waived.
 For the next fee period, you need to meet the requirement(s) to avoid the monthly service fee.

How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
· Minimum daily balance	\$300.00	\$25.00 <input type="checkbox"/>
· Daily automatic transfer from a Wells Fargo checking account	\$1.00	\$0.00 <input type="checkbox"/> ^
· Save As You Go® transfer from a Wells Fargo checking account	\$1.00	\$0.00 <input type="checkbox"/>
· Monthly automatic transfer from a Wells Fargo checking account	\$25.00	\$0.00 <input type="checkbox"/> ^
· The fee is waived when the primary account owner is under the age of 18 (19 in Alabama)		

^Zero is displayed because you did not meet the minimum amount required for a single transaction of this type.
AM/AM

EXHIBIT B

EXHIBIT B

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

Class	Creditor, Impairment, and Collateral	Treatment
Class 1 Oversecured Creditors Class 1-A	Impaired <u>Creditor:</u> Frederick & Phyllis Hawn <u>Collateral:</u> 5601 Little Doe Circle, Las Vegas Nevada 89130	Allowed amount of secured claim: \$202,000.00. 5.5% interest paid at \$1,146.93 Principal and Interest per month starting January 1, 2017 through December 1 2036 or until secured claim is paid in full, whichever is sooner. (Pre-confirmation adequate protection payments credited to principal balance.) Liens to be retained to full amount of secured claim until paid in full. Debtors are to maintain and stay current with escrow fees. (Debtor to be credited for rent payments turned over)
Class 1-B	Unimpaired <u>Creditor:</u> Clark County Treasurer <u>Collateral:</u> 5601 Little Doe Circle, Las Vegas Nevada 89130	Paid as required.
Class 2 – General Unsecured Creditors	Impaired	100% over 60 months.
Class 3 – Equity Security Holders of the Debtor	N/A	N/A