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6 *and Debtor-in-possession*

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

<p>10 In re:</p> <p>11 C & S COMPANY, INC.</p> <p>12 Debtor.</p>	<p>Case No. 16-14155 Chapter 11</p> <p><u>Hearing:</u> Date: May 3, 2017 Time: 9:30 a.m.</p>
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14 **DEBTOR'S DISCLOSURE STATEMENT TO**
15 **ACCOMPANY ITS PLAN OF REORGANIZATION**

16 C & S COMPANY, INC. (hereinafter, "Debtor"), is also referred to as the Plan "Proponent",
17 by and through its counsel, David J. Winterton, Esq., of the law firm of DAVID J. WINTERTON
18 & ASSOCIATES, LTD., hereby presents this Disclosure Statement ("Disclosure Statement") to
19 accompany its Plan of Reorganization (hereinafter the "Plan") to all of the known creditors of the
20 Debtor pursuant to 11 U.S.C. § 1125. The purpose of this Disclosure Statement is to provide such
21 information as may be deemed materially important and necessary to the Creditors of the Debtor
22 to make a reasonably informed decision in exercising their right to vote for the acceptance of the
23 Debtor's Plan. The Plan, a copy of which accompanies this Disclosure Statement as "Exhibit 1,"
has also been filed with the Bankruptcy Court.

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I. INTRODUCTION AND REPRESENTATIONS.

A. Purpose of Disclosure Statement.

The purpose of this Disclosure Statement is to: (1) assist the Claimants in making an informed decision as to whether or not to accept or reject the Plan; and to (2) assist the Bankruptcy Court in making an informed decision as to whether or not the Plan complies with the requirements of the Bankruptcy Code.

B. Introduction.

The Proponent is filing this Disclosure Statement to inform the Claimants of the Proponent's Plan to reorganize the Debtor. Unless otherwise defined herein, terms defined in the Plan shall have the same meaning when used in this Disclosure Statement. In addition, unless otherwise defined herein or in the Plan, terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code or the Bankruptcy Rules.

C. Representations.

This Disclosure Statement is submitted in accordance with Bankruptcy Code §1125 for the purpose of soliciting acceptances of the Plan from holders of certain Claims. The Bankruptcy Court approved this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of each of the Classes being solicited to make an informed judgment whether to vote to accept or reject the Plan. In determining whether the Plan should be confirmed, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether or not it is feasible and whether or not it is in the best interests of the Claimants. The Bankruptcy Court will also receive and consider a ballot summary prepared by the Debtor concerning the votes for acceptance or rejection of the Plan by Persons entitled to vote. Each Class of Creditors allowed to vote on the Plan will be deemed to have accepted the Plan, if the Plan is accepted by valid ballots cast by Creditors that hold at least two-third (2/3) in dollar amount and more than one half (1/2) in number of the allowed claims of the Creditors in that class actually voting to accept or reject the Plan.

The information provided in this Disclosure Statement was information provided by the Debtor's management and accountants. Counsel for the Debtor does not make any personal guarantees or representations as to the accuracy of the numbers and information.

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1 THIS DISCLOSURE STATEMENT IS NOT THE PLAN. THIS DISCLOSURE
2 STATEMENT, TOGETHER WITH THE PLAN WHICH IS ATTACHED HERETO AS
3 EXHIBIT "1", SHOULD BE READ IN THEIR ENTIRETY. FOR THE CONVENIENCE
4 OF CREDITORS, THE PLAN IS SUMMARIZED IN THIS DISCLOSURE STATEMENT,
5 BUT ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN
ITSELF, WHICH IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY.

6 The Bankruptcy Court will hold a hearing on confirmation of the Plan commencing
7 at ____ p.m. on _____, in Courtroom No. 2, 3rd Floor, United States Courthouse,
8 300 Las Vegas Boulevard South, Las Vegas, Nevada. The confirmation hearing may be adjourned
9 from time to time without further written notice.

10 Certain materials contained in this Disclosure Statement are taken directly from
11 other, readily accessible documents or are digests of other documents. While every effort has been
12 made to retain the meaning of such documents, you are urged to thoroughly review the documents
themselves.

13 ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR
14 ACCEPTANCE WHICH ARE OTHER THAN THOSE CONTAINED IN THIS
15 DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING
16 AT YOUR DECISION. THIS IS A SOLICITATION BY THE DEBTOR ONLY AND IS
17 NOT A SOLICITATION BY THE DEBTOR'S ATTORNEYS. THE REPRESENTATIONS
18 MADE HEREIN ARE THOSE OF DEBTOR AND NOT OF DEBTOR'S ATTORNEYS.
19 THE VALUE OF THE ASSETS AND THE AMOUNT OF THE DEBTS HAVE BEEN
20 PROVIDED BY THE DEBTOR AND HAVE NOT BEEN INDEPENDENTLY VERIFIED
21 BY THE DEBTOR'S ATTORNEYS. REASONABLE EFFORTS HAVE BEEN MADE TO
22 PREPARE ALL THE UNAUDITED FINANCIAL STATEMENTS WHICH MAY BE
23 CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATION
24 CONCERNING THE DEBTOR, PARTICULARLY AS TO THE THE VALUE OF THE
25 ASSETS OF THE DEBTOR OR THE AMOUNT OF THE CLAIMS, ARE AUTHORIZED
26 OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR
27 RECOMMENDS THAT YOU VOTE FOR ITS PLAN OF REORGANIZATION.
28

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D. Summary of the Plan

a **The Administrative Expenses**, including, but not limited to, administration of the estate, reviewing proof of claims, preparing a plan of reorganization, a disclosure statement, estimated at and other administrative expenses are:

Fees \$100,000.00

The Debtor is current in its United States Trustee's fees. They estimate the total fees during the bankruptcy to the United States Trustee's office will be approximately

Fees \$10,000 (est.)

b. **Classification of Creditors and Treatment of Creditors**

CLASS	IMPAIR	DISTRIBUTION
1	X	<p><i>Class 1</i> is impaired. Class 1 consists of all of the Allowed Secured Claims of Internal Revenue Service. The amount of the claim is \$433,974.28 less the amount being paid under a cash collateral agreement that has been approved by the United States Bankruptcy Court on Dkt # 36. The Internal Revenue Service has a secured claim based upon a lien that they filed. It secures all of the accounts receivables and property of the Debtor.</p> <p>The Class 1 Claimant will be paid the full amount of its secured claim. The Debtor has agreed to make monthly payments in the amount of \$7,500.00 per month until the debt is paid in full. The Debtor will keep the taxes current. Under this Plan the Internal Revenue Service will receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the plan, or at least the value of such holder's interest in the estate's interest in such property or for the realization by Internal Revenue indubitable equivalent of such claim.</p>
2	X	<p><i>Class 2</i> is impaired. Class 2 consists of all of the Allowed Secured Claims of Dean and Penny Brunner 1985 Trust. The amount of the claim is \$396,208.84. The Dean and Penny Brunner 1985 Trust has a recorded judgment. There is a pending appeal in this case. It is agreed that Dean and Penny Brunner 1985 Trust would continue to be secured in the amount of \$40,000.</p> <p>The Class 2 Claimant will be paid \$40,000 as agreed with \$10,000 upon confirmation of the Plan. The balance will be paid in four (4) quarters of three monthly installments of \$10,000 each. The pending appeal will be dismissed with prejudice and a satisfaction of judgment will recorded after the final payment.</p>

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CLASS	IMPAIR	DISTRIBUTION
3	X	<p>Class 3 is impaired. The Class 3 claimant consists of all of the Allowed Secured Claims of Federal Deposit Insurance Corporation. The amount of the disputed claim is \$1,498,483.32 less the amount being paid under a cash collateral agreement that has been approved by the United States Bankruptcy Court on Dkt # 64. The FDIC alleges they have a secured claim on the accounts receivables and the proceeds thereof only. The basis of the security claim is a UCC-1. The security of the claim and the amount are in dispute. The Internal Revenue Service has a priority secured claim based upon a lien that they filed. It secures all of the accounts receivables and so on of the Debtor.</p> <p>The Class 3 Claimant will be paid the full amount of its secured claim. The Debtor has agreed to make monthly payments in the amount of \$5,553.00 per month until the debt is paid in full. The Debtor will also make payments to cure the arrearage under the old plan over a one (1) year period. The Debtor will keep the taxes current after confirmation. Under this Plan the FDIC will receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the plan, or at least the value of such holder's interest in the estate's interest in such property or for the realization by Internal Revenue indubitable equivalent of such claim.</p>
4	X	<p>Class 4 is impaired. Class 3 Claimants shall consist of the Allowed Unsecured Claims that are unsecured claims not entitled to priority under Section 507(a). Generally, Class 4 shall consist of the Allowed Unsecured Claims for goods and/or services provided to the Debtor before the Petition Date, Allowed Unsecured Claims for breach of contract or rejection of executory contracts and unexpired leases (within the meaning of Section 365 of the Bankruptcy Code), Allowed Unsecured Claims for damages, and Allowed Unsecured Claims in respect of the deficiency Claims. Class 4 will be paid in full over a sixty (60) months of quarterly payments.</p>
5	X	<p>Class 5 is unimpaired and will consist of all Allowed Interests. The holders of the Allowed Interests shall retain their interest in the reorganized Debtor and their rights shall reinvest upon an order confirming the Plan in accordance with 11 U.S.C. Section 1129(b)(2)(c)(i).</p>

II. HISTORY OF THE DEBTOR

A. Background History of the Debtor. The Debtor is an excavation company which specializes in underground utility work. The company was founded in 1983 and purchased by Stacey and Brad Lindburg in July of 2003. Since purchasing the business, the Lindbergs have remained as the Debtor's managing members and officers.

The Debtor hold a Nevada State Contractor License, License No 0020935, Classification A - General Engineering with an unlimited license. Also, the Debtor has received the designation

1 of a Disabled Business entity, DBE # NV01263UCPN 9"DBE") and Woman-Owned Small
2 business entity, SBE #198320348 ("WBE") pursuant to 13 CFR Part 112. A disadvantaged
3 business enterprise is a business that is owned (51% or more), operated and controlled by a woman,
4 a member of certain ethnic minorities, a disabled person, or a disabled veteran. Such designations
5 require an extensive screening processes and proved distinct advantages when granted. For
6 instance, certification as DBE/WBE allows a contractor to bid on project in a fair, competitive
7 environment. The DBE/WBE company is provided with latest contacts for open bid along with
inter alia, the project description and parties bidding on the project.

8 In addition, federal and state agencies that receive federal fund (for example, Nevada
9 Department of Transportation) are generally required to establish goals for doing business with
10 DBEs. Many private sectors, especially large government contractors also have objective fo the
11 amount of business they do with DBEs. Obtain certification opened the door to additional
12 opportunities to do business with these agencies. There are limited underground utility companies
13 which meet the WBE or DBE standard, Let alone both. Moreover, DBE/WBEs are also provided
14 with training opportunities via the Nevada small business development center, covering training in
everything form construction-related topics to general business subjects.

15 The Debtor was involved in a big construction project. The developer of the project filed
16 bankruptcy. The Debtor did not get paid on the project. As a result, the Debtor could not pay its
17 subcontracts. The Debtor was forced to file its first bankruptcy on October 28, 2008. The Debtor
18 had a confirmed plan. The case was later closed on January 26, 2015.

19 **B. Factors Right Before the Filing of the Bankruptcy.**

20 The claim with Colonial Bank was taken over by the Federal Deposit Insurance Company
21 ("hereinafter "FDIC"). Under the first Bankruptcy, the Debtor was to make pay the FDIC monthly
22 payments to the FDIC. The Debtor believe that the FDIC had received a large payment from the
23 bonding company. The FDIC attempted to collect against the Debtor and seized all of the their
accounts receivables.

24 The Debtor was also making payments to the IRS. The IRS seized the bank accounts of the
25 Debtor and shut them down. This prompted the Debtor to file this bankruptcy.

26 **C. Post-Petition History of the Debtor.**

27 The Debtor filed it petition on or about July 28, 2017. It was filed on an emergency basis
28

1 because the IRS had seized the bank accounts and asset of the Debtor and they had been forced to
2 cease all operations with no ability to pay employee or the subcontractors. On or about August 11,
3 2016, the Debtor filed a motion to extend time to file it schedules while they gathered all of the
4 information. On or about September 30, 2016, the motion was granted and the schedules were
5 filed.

6 The 341 creditors meeting was held on or about October 6, 2016 but it was continued due
7 the fact that the full schedules had not been filed. It was continued to October 20, 2016. The matter
8 was then continued to October 31, 2016. The continued 341 creditors meeting was held on October
9 31, 2017 and all of the information was given to the United States Trustee's office. All of the
10 questions were answered and the United States Trustee's office concluded the 341 meeting.

11 On or about August 31, 2016, counsel for the Debtor filed their application for
12 employments. On or about October 7, 2016, the application for employment was granted and an
13 order has been entered in this case.

14 On or about September 8, 2016, the FDIC filed a notice of non-consent to use cash
15 collateral. On or about September 9, 2016, the Debtor filed an emergency motion seek consent to
16 use the cash collateral. At the same time the Debtor filed a stipulation with the IRS regarding the
17 use of the cash collateral. There is an issue as to who has first priority, the IRS or the FDIC. On
18 or about October 13, 2016, an order was entered allowing the Debtor to use the cash collateral. The
19 FDIC continued to take the payment under the order regarding the use of cash collateral and on or
20 about January 27, 2016, the FDIC filed a non-consent to use the cash collateral again.

21 **III. DESCRIPTION OF THE ASSETS**

22 The principal assets of the Debtor include its excavation assets, including equipment and
23 vehicles. It also includes the office equipment for the operations of the business. The office
24 equipment was valued at \$22,499.00. The construction equipment was valued at \$635,495.00 (This
25 amount does not deduct the secured claims on the equipment). The inventory was listed at
26 \$120,000.00. A complete list of the assets are listed in the Bankruptcy schedules with their value.

27 **IV. PLAN OF REORGANIZATION**

28 **A. Overview of the Plan**

The Debtor plans on funding the Plan from the continued operations of the business over
a sixty (60) month period. The secured claims will be paid with the Debtor's Income. The

1 unsecured portions of the claims will be paid along with the other general unsecured creditors from
2 the Debtor's disposable income on a pro rata basis. The Debtor has provided projections for what
3 it anticipates the operation of the business. Those projections are attached hereto as Exhibit 3. It
4 is the intent to pay all Allowed Claims in full. The Debtor intends on paying all of the
5 administrative claims, secured claims and some to the Unsecured Creditors based upon its
6 projections.

7 **B. Classification and Treatment of Claims and Interests Under the Plan.**

8 **1. Claim Amounts.** The amounts of the Claims specified in this Disclosure
9 Statement reflect only the Debtor's best estimates as of the date of this Disclosure Statement. This
10 includes a review of the claims filed in the United States Bankruptcy Court. As set forth in Article
11 V of the Plan, Debtor has reserved the right to object to any Claim for a period of sixty (60) days
12 following the Confirmation Date of the Plan.

13 **2. Classification Generally.** The Plan divides the Claims into five (5) separate
14 classes that the Debtor believes are in accordance with the Bankruptcy Code. All allowed claims
15 will be paid based on their priority and the same as other like creditors.

16 **3. Unclassified: Administrative Claims.** Subject to the Bankruptcy Courts
17 power to authorize or order earlier payment of Allowed Administrative Claims and Allowed Claims
18 under Section 507(a), (including, but not limited to, allowances of professional fees and costs and
19 fees relating to the assumption and rejection of lease(s), each Allowed Administrative Claim will
20 receive cash in the amount of such Claim paid on the earliest to occur of: (a) the Effective Date; or
21 (b) the first Business Day following the date on which such claim becomes an Allowed
22 Administrative Claim; © if such Allowed Administrative Claim is incurred in the ordinary course
23 of business, the date on which payment is due in accordance with the terms applicable thereto; (d)
24 under such terms as the Debtor and the holder of such Allowed Administrative Claim may agree
25 for payment; (e) as allowed under Section 507(a)(8) of the Bankruptcy Code.

26 The Administrative Expenses incurred in the administration of the estate, reviewing proof
27 of claims, preparing a Plan of reorganization, a Disclosure Statement, examiner, United States
28 Trustee's fees and other administrative expenses are as follows:

NAME	AMOUNT OWED	TREATMENT
US Trustee Fees	None owed at this time but estimate it will be over \$10,000	Paid in full on the Plan Effective Date
David J. Winterton & Associates, Ltd.	None at this time \$100,000 est.	Paid in full on approval of an application

Unless a holder of a particular claim has agreed to a different treatment of such claim, a Claimant of a kind specified in section 507(a)(2) or 507(a)(3) of Title 11 of the Bankruptcy Code, on the Effective Date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim. With respect to a class of claims of asking specified in section 507(a)(1), 507(4), 507(5), 507(6) or 507(7) of title 11 of the Bankruptcy Code each holder of a claim of such class will receive (i) if such class has accepted the Plan, deferred cash payments of a value as of the Effective Date of the Plan, equal to the allowed amount of such claim or (ii) if such class has not accepted the Plan, cash on the Effective Date of the Plan equal to the allowed amount of such claim.

With respect to a claim of a kind specified in section 507(8) of this title, the holder of such claim will receive on account of such claim regular installment payments in cash (i) of a total value, as of the Effective Date of the Plan, equal to the allowed amount of such claim; (ii) over a period of equal monthly payments ending not later than 5 years after the date of the order for relief under section 301, 302 or 303, and (iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan (other than cash payments made to a class of creditors under section 1122(b)).

With respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of the claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph 1129(a)(9)©.

4. Classified Claims.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

1. **Class 1 is impaired.** Class 1 consists of all of the Allowed Secured Claims of Internal Revenue Service. The amount of the claim is \$433,974.28 less the amount being paid under a cash collateral agreement that has been approved by the United States Bankruptcy Court

1 on Dkt # 36. The Internal Revenue Service has a secured claim based upon a lien that they filed.
2 It secures all of the accounts receivables and so on of the Debtor.

3 The Class 1 Claimant will be paid the full amount of its secured claim. The Debtor
4 has agreed to make monthly payments in the amount of \$7,500.00 per month until the debt is paid
5 in full. The Debtor will keep the taxes current after confirmation. Under this Plan the Internal
6 Revenue Service will receive on account of such claim deferred cash payments totaling at least the
7 allowed amount of such claim, of a value, as of the Effective Date of the plan, or at least the value
8 of such holder's interest in the estate's interest in such property or for the realization by Internal
9 Revenue indubitable equivalent of such claim.

10 **2. Class 2 is impaired.** Class 2 consists of all of the Allowed Secured Claims of Dean
11 and Penny Brunner 1985 Trust. The amount of the claim is \$396,208.84. The Dean and Penny
12 Brunner 1985 Trust has a recorded judgment. There is a pending appeal in this case. It is agreed that
13 Dean and Penny Brunner 1985 Trust would continue to be secured in the amount of \$40,000.

14 The Class 2 Claimant will be paid \$40,000 as agreed with \$10,000 upon confirmation of the
15 Plan. The balance will be paid in four (4) quarters of three monthly installments of \$10,000 each.
16 The pending appeal will be dismissed with prejudice and a satisfaction of judgment will recorded
17 after the final payment.

18 **3. Class 3 is impaired.** The class 3 claimant consists of all of the Allowed Secured
19 Claims of Federal Deposit Insurance Corporation. The amount of the disputed claim is
20 \$1,498,483.32 less the amount being paid under a cash collateral agreement that has been approved
21 by the United States Bankruptcy Court on Dkt # 64. The FDIC alleges they have a secured claim
22 on the accounts receivables and the proceeds thereof only. The basis of the security claim is a
23 UCC-1. The security of the claim and the amount are in dispute. The Internal Revenue Service has
24 a priority secured claim based upon a lien that they filed. It secures all of the accounts receivables
25 and so on of the Debtor.

26 The Class 3 Claimant will be paid the full amount of its secured claim. The Debtor
27 has agreed to make monthly payments in the amount of \$5,553.00 per month until the debt is paid
28 in full. The Debtor will also make payments to cure the arrearage under the old plan over a one (1)
year period. The Debtor will keep the taxes current after confirmation. Under this Plan the FDIC
will receive on account of such claim deferred cash payments totaling at least the allowed amount

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1 of such claim, of a value, as of the Effective Date of the plan, or at least the value of such holder's
2 interest in the estate's interest in such property or for the realization by Internal Revenue indubitable
3 equivalent of such claim.

4 **4. Class 4** is impaired. Class 4 Claimants shall consist of the Allowed Unsecured
5 Claims that are unsecured claims not entitled to priority under Section 507(a) and not in Class 1 and
6 2. Generally, Class 3 shall consist of the Allowed Unsecured Claims for goods and/or services
7 provided to the Debtor before the Petition Date, Allowed Unsecured Claims for breach of contract
8 or rejection of executory contracts and unexpired leases (within the meaning of Section 365 of the
9 Bankruptcy Code), Allowed Unsecured Claims for damages, and Allowed Unsecured Claims in
10 respect of the deficiency Claims. Class 4 will be paid in full over a sixty (60) months of quarterly
11 payments.

12 **5. Class 5** is unimpaired and will consist of all Allowed Interests. The holders of the
13 Allowed Interests shall retain their interest in the reorganized Debtor and their rights shall reinvest
14 upon an order confirming the Plan in accordance with 11 U.S.C. Section 1129(b)(2)(c)(i).

15 Payments will be made in priority as established by the United States Bankruptcy Code
16 including payments to Administrative Claims, Priority Claims and Allowed Unsecured Creditors
17 in the order mandated by the United States Bankruptcy Code from the Debtor's Disposable Income.
18 Once the Administrative Claims, Priority Claims and Secured Claims are satisfied, the Allowed
19 Unsecured Creditors will be paid the remaining amount from the proceeds of the Debtor's
20 Disposable Income. For Debtor's projections see Exhibit 3.

21 **C. Claims.**

22 If the Debtor has listed in their Schedules a claim as a Disputed Claim, the Creditor
23 must file a proof of claim. If a proof of claim is not timely filed, the claim will be disallowed,
24 unless later allowed by the Bankruptcy Court. A claim of a governmental unit shall be timely filed
25 if it is filed before 180 days after the date of the order for relief. Except as otherwise provided in
26 this Plan, objections to Claims may be filed and served by any other Person(s) properly entitled to
27 do so under the Bankruptcy Code and the Bankruptcy Rules, no later than sixty (60) days following
28 the Confirmation Date. Any objection to a Claim will be served upon the holder of each such
Claim to which objection has been made.

1 (a) Unless an earlier time is set by order of the Bankruptcy Court or in this Plan,
all objections to Claims will be filed within sixty (60) days after the Confirmation Date;

2 (b) Until the claim is allowed, the Claimant will be entitled to payment, but the
3 payment will be held in trust, as if it had been allowed on the Effective Date. Such payment will
4 be made to the Claimant as soon as possible after the order allowing the Claim becomes a Final
5 Order;

6 (c) After allowance, and to the extent allowed and not subordinated or subject
7 to subordination, the previously Disputed Claim will be treated, for purposes of receiving
8 subsequent distributions (if any), as if it had been allowed as of the Confirmation Date.

9 In the case of any Disputed Claims, any undisputed portion of an Allowed Claim
10 shall be paid in accordance to the terms as provided in this Plan. The funds to pay the balance of
11 the Disputed Claim shall be held in an interest-bearing account until the Bankruptcy Court
12 determines the allowed amount of such Claim as provided in the Plan. Until the date of the actual
13 payment(s), portions of the undistributed claim(s) shall accrue interest at the same rate as the
14 interest-bearing account. All Disputed Claims amount may be held in a single bank account with
15 the appropriate records segregating the amount due and owing. Upon a Final Order from the
16 Bankruptcy Court, any Disputed Claim(s) that becomes an Allowed Claim shall be paid along with
17 any portion of interest due and owing to the Claimant. The Debtor will be review the claims and
timely filing an objection to the claims that are in dispute.

18 **D. Treatment of Executory Contracts and Unexpired Leases.**

19 All executory contracts and leases shall be rejected at Confirmation except for those
20 listed on Exhibit 2. Each party to an executory contract or unexpired lease which is rejected at
21 Confirmation, shall file, not later than thirty (30) days after the Confirmation Date, a proof of claim
for any Claim arising from the rejection of such executory contract or unexpired lease.

22 **E. The Effective Date and the Effect of Confirmation.**

23 The Effective Date is defined in the Plan. From and after Confirmation, the Debtor
24 shall continue to be subject to the Bankruptcy Code and to the jurisdiction of the Bankruptcy Court
25 to execute the Plan.

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F. Avoidance Actions.

1 Avoidance actions under Bankruptcy Code Sections 544, 547, 548, 549, 550, 551,
2 and any other applicable section of the Bankruptcy Code, shall be preserved for the benefit of
3 Creditors until all Claimants have been paid the full amount due to such Claimants on Allowed
4 Claims under the Plan. At the time of filing bankruptcy, there were funds that were held by the
5 general contractor. Under the general contractor's agreement, the general contractor can pay the
6 subcontractors generally. This was done by the general contractor. There maybe an issue whether
7 this was the payment of a pre-petition debt or not. If there is an issue that these are pre-petition
8 payments, then these payments will be approved under the terms and conditions of this Plan. In
9 addition, some of those payments were made after the filing of the bankruptcy by the Debtor. This
10 was done under the statute that payment is not due on a governmental contract until the payment
11 has been received and to avoid the subcontractor filing a lien. If this is an issue, these payments
12 will also be considered approved by the bankruptcy court. A list of these payments can be received
13 by contacting counsel for the Debtor.

G. Management and Operations of the Debtor.

14 On and after the Effective Date, the Debtor will continue to manage the Estate and
15 Estate Assets as it currently does to effectuate the terms of the Plan. The management will be under
16 the direction of Stacy Lindburg and Brad Lindburg.

H. Post-Confirmation Reports and Fees.

17 The Debtor will continue to make the U.S. Trustee's quarterly fees. The amount of
18 fees will be established by the post-petition operating reports. The Debtor will be closing the case
19 upon conclusion of the claims objection process.

I. Withholding and Reporting Requirements.

20 In connection with the Plan, the Debtor shall file all post-petition reports as required
21 and pay United States Trustee's fees. The Debtor will comply with all withholding and reporting
22 requirements imposed by any federal, state, local, or foreign taxing authority; and all distributions
23 under the Plan will be subject to any such withholding and reporting requirements.
24

J. Closing of Case.

25 The Debtor will close the case upon the confirmation of a Plan of Reorganization,
26 the completion of the objection to claims process, initiation of repayment to creditors in accordance
27
28

feasible and is in the best interest of the Creditors.

1 **A. Voting Procedures**

2 All Claimants are entitled to vote if they have been scheduled in the Debtor's
3 Schedules, or such Claimant has filed a proof of claim before the bar date, unless such Claimant
4 has been rejected or disallowed for voting purposes by the Bankruptcy Court.

5 Pursuant to Bankruptcy Rule 3018, the holder of a Claim which has been
6 objected to, can vote only after notice and a hearing by the Bankruptcy Court and after entry of a
7 Final Order, which allows a claim or interest holder to vote.

8 A Class is deemed to have accepted the Plan, if the Plan is accepted by two-
9 thirds in dollar amount and more than one-half in number of claims or interests voted. (This
10 excludes certain claims designated under 1126(e) of the Bankruptcy Code that have voted to
11 accept or reject the Plan).

12 Only those Classes that are impaired under the Plan are entitled to vote to accept
13 or reject the Plan. The Debtors reserve the right to supplement this Disclosure Statement (if
14 necessary) and to solicit any of the Claims which may prove to be impaired, as the
15 Reorganization Case develops further.

16 Ballots will be sent to the known holders of Claims, whether or not such Claims
17 are disputed (attached hereto collectively as Exhibit 5 is the form of the Ballots proposed by the
18 Debtor.) However, only the holders of Allowed Claims (or Claims that have been temporarily
19 allowed or have been estimated by the Bankruptcy Court), who are impaired are entitled to vote
20 on the Plan. A Claim to which an objection has been filed, is not an Allowed Claim unless and
21 until the Bankruptcy Court enters a Final Order on the objection allowing the Claim for voting
22 purposes.

23 The forms of Ballot for each of the Classes entitled to vote on the Plan will be
24 sent to all Creditors with a copy of the Disclosure Statement approved by the Bankruptcy Court,
25 the Plan, and the Appendix of Exhibits. Creditors should read the Ballot carefully. If any
26 Creditor has any questions concerning voting procedures, that Creditor may contact:

27 David J. Winterton, Esq.
28 DAVID J. WINTERTON & ASSOCIATES, LTD..
 1140 N. Town Center Drive, Ste. 120
 Las Vegas, NV 89144
 (702) 363-0317

DAVID J. WINTERTON & ASSOCIATES, LTD.
1140 N. Town Center Drive, Suite 120
Las Vegas, Nevada 89144
(702) 363-0317

1 Ballots must be in possession of the law office of David J. Winterton & Associates on or before
2 _____ at 5:00 p.m. Any objections to the Plan must also be filed on or before

3 In addition, the Bankruptcy Court will hold a hearing on confirmation of the Plan
4 commencing on _____, at _____ p.m. in Bankruptcy Courtroom No. 2, Third
5 Floor, 300 Las Vegas Boulevard South, Las Vegas, Nevada. All objection(s), if any, to the
6 confirmation of the Plan must be in writing; must state with specificity the grounds for any such
7 objection(s); and must be filed with the Bankruptcy Court on or before April 20, 2016 prior to
8 the commencement of the confirmation hearing and served upon counsel for the Debtor.

9 **B. Feasibility.**

10 Another requirement for confirmation involves the feasibility of the Plan, which
11 means that confirmation of the Plan is not likely to be followed by the liquidation, or need for
12 further financial reorganization, of the Debtor or any successor to the Debtor under the Plan,
13 unless such liquidation or reorganization is proposed in the Plan.

14 There are at least two important aspects of a feasibility analysis. The first aspect
15 considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan
16 to pay all of the Claims and expenses which are entitled to be paid on such date. It is anticipated
17 that the Debtor will have cash available as of the Effective Date to comply with the Plan.

18 The second aspect of feasibility considers whether the Debtor will have enough
19 cash over the life of the Plan to make the required Plan payments. Based on the rental proceeds
20 of the Debtor's rental properties, there should be enough cash on hand to make the required
21 payments under the Plan.

22 **C. Best Interests of Creditors and Liquidation Analysis.**

23 SEE LIQUIDATION ANALYSIS, SECTION VIII, BELOW. The following
24 information is provided to assist the Creditors in evaluating whether the Plan provides them
25 with value, as of the Effective Date, that is not less than the value which would have been
26 received if the Debtor's case was converted to a Chapter 7 and Liquidated.

27 The Debtor believes the Plan is in the best interests of the creditors. The funds to
28 liquidate the Debtor would come from the rental proceeds from the real property assets of the
Debtor. The secured creditors will be paid the full amount of their Allowed Secured Claim.

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1 The Allowed Unsecured Claims will also receive payments based upon the projected Debtor's
2 Disposable Income. If the Debtor's Estate was liquidated under a Chapter 7, there would be
3 nothing to pay any of the general unsecured claims. The value of the accounts receives will
4 drop to zero because the general contract will not have to pay because they will be forced to hire
5 a new subcontractor to finish the project and the general contractor will not be required to pay
6 the balance under the contract. The properties would either be abandoned to the secured
7 creditors or sold with the full amount being paid to the secured creditors minus the costs of
8 liquidation and trustee's fees. The secured creditors would not realize the full value of their
9 Allowed Secured Claim and there would be nothing to pay the Allowed Unsecured Claims.
10 The Creditors will receive more under the Debtor's Plan than under a Chapter 7 liquidation.

11 **D. Confirmation Over Dissenting Class.**

12 In the event that any impaired Class of Claims votes against the Plan, the
13 Bankruptcy Court may nevertheless confirm the Plan at Debtors' request if all other
14 requirements under Bankruptcy Code §1129(a) are satisfied, and if, as to each impaired Class
15 which has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not
16 discriminate unfairly" and is "fair and equitable" with respect to such non-accepting Classes.
17 Each of these requirements is discussed below.

18 **1. No Unfair Discrimination.**

19 A plan of reorganization "does not discriminate unfairly" if: (a) the legal rights
20 of a non-accepting Class are treated in a manner that is consistent with the treatment of other
21 Classes whose legal rights are intertwined with those of the non-accepting Class; and (b) no
22 Class receives payments in excess of those which it is legally entitled to receive for its Claims.
23 Debtor believes that under the plan, (i) all Classes of impaired Claims are treated in a manner
24 that is consistent with the treatment of other similar Classes of Claims, and (ii) no Class of
25 Claims will receive payments or property with an aggregate value greater than what it is legally
26 entitled to receive. Accordingly, Debtor believes that the Plan does not discriminate unfairly as
27 to any impaired Class of Claims.

28 **2. Fair and Equitable Test.**

The Bankruptcy Code establishes different "fair and equitable" tests for Secured
Creditors and Unsecured Creditors as follows:

a. Secured Creditors.

1 Either (i) each impaired Secured Creditor retains its liens securing a
2 Secured Claim and receives on account of its Secured Claim deferred cash payments having a
3 present value equal to the amount of its Allowed Secured Claim, (ii) each impaired Secured
4 Creditor realizes the "indubitable equivalent" of its Allowed Secured Claim, or (iii) the property
5 securing the Claim is sold free and clear of liens with such liens to attach to the proceeds, and
6 the liens against such proceeds are treated in accordance with clause (i) or (ii) of this
7 Subparagraph (a).

b. Unsecured Creditors.

8 Either (i) each impaired Unsecured Creditor receives or retains, under the Plan,
9 property of a value equal to the amount of its Allowed Claim, or (ii) the holders of Claims and
10 Equity Interests that are junior to the Claims of the non-accepting Class, do not receive any
11 property under the Plan on account of such Claims and Equity Interests, except the Debtor will
12 retain property included in the Estate under 11 U.S.C. Section 1115.

13 Debtor believes that the Plan satisfies the "fair and equitable" test with respect to
14 all impaired Classes. All Secured Creditors will realize the indubitable equivalent of their
15 Secured Claims to the Plan and are to be paid in full the amount of their Allowed Secured
16 Claims.

VII. ALTERNATIVES TO THE PLAN

17 Debtor believes that the Plan provides the greatest possible recovery to all
18 Creditors. The only other alternative is to liquidate the assets pursuant to a Chapter 7
19 Liquidation, and as discussed above, will result in less paid to all Creditors.

VIII. LIQUIDATION ANALYSIS

A. General.

20 Debtor believes that the value of the property to be received under the Plan by
21 each holder of an Allowed Claim is equal to, or in excess of, any value such holder would
22 receive under Chapter 7 of the Bankruptcy Code. The value of the accounts receives will drop
23 to zero because the general contract will not have to pay because they will be forced to hire a
24 new subcontractor to finish the project and the general contractor will not be required to pay the
25 balance under the contract. The Debtor believes that the Plan is in the best interest of the
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C. Risk of Non-Confirmation of the Plan.

The risk of non confirming the Plan is that the Debtor will have to convert to a Chapter 7 and the Creditors will get substantially reduced amounts.

X. FEDERAL TAX CONSEQUENCES AND CERTAIN FEDERAL INCOME TAX CONSEQUENCES.

There are no Federal Tax Consequences to the Debtor under this Plan of Reorganization. They will pay the taxes as required by law. The tax consequences to the creditors depends on the financial position of the creditor.

THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO SUCH HOLDER.

XI. CONCLUSION

For the above stated reasons, the Proponents recommend that the Creditors vote in favor of this Plan of Reorganization. All ballots will be returned and in the Office of the law firm of David J. Winterton & Associates, Ltd. by _____. Please address the ballots to the attention of:

DAVID J. WINTERTON, ESQ.
DAVID J. WINTERTON & ASSOCIATES, LTD.
1140 N. Town Center Drive, Ste. 120
Las Vegas, Nevada 89144

DATED this 17th day of March, 2017.

C & S COMPANY, INC.

By: 
Stacy Lindburg President

Prepared and submitted by:
DAVID J. WINTERTON & ASSOCIATES, LTD.

By: /s/ David J. Winterton
DAVID J. WINTERTON, ESQ.
Nevada Bar No. 004142
1140 N. Town Center Drive, Suite 120
Las Vegas, Nevada 89144
(702) 363-0317

*Attorneys for Debtor
and Debtor-in-possession*

DAVID J. WINTERTON & ASSOCIATES, LTD.
1140 N. Town Center Drive, Suite 120
Las Vegas, Nevada 89144
(702) 363-0317

CERTIFICATE OF SERVICE

1 1. On March ____, 2017 I served the following document(s):

2 1. Debtor's Amended Disclosure Statement to Accompany Its Plan of
3 Reorganization (with Plan as Exhibit)

4 2. I served the above-named document(s) by the following means to the persons as
5 listed below:

6 3. **By ECF System:**

7 U.S. TRUSTEE - LV - 11
8 USTPRegion17.lv.ecf@usdoj.gov

9 (UNITED STATES MAIL) By depositing a copy of the above-referenced
10 document for mailing in the United States Mail, first class postage prepaid, at Las Vegas,
11 Nevada, to the parties listed on the attached service list, at their last known mailing addresses,
12 on the ____ day of March, 2017.

13 **See Attached Matrix**

14 (OVERNIGHT COURIER) By depositing a true and correct copy of the above-
15 referenced document for overnight delivery via Federal Express, at a collection facility
16 maintained for such purpose, addressed to the parties on the attached service list, at their last
17 known delivery address, on the date above written.

18 (FACSIMILE) That I served a true and correct copy of the above referenced
19 document via facsimile, to the facsimile numbers indicated, to those persons listed on the
20 attached service list, on the date above written.

21 /s/ Autumn G. Wheeler
22 An employee of David J. Winterton & Assoc., Ltd.

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Las Vegas, Nevada 89144
(702) 363-0317

EXHIBIT 1
PLAN OF REORGANIZATION

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1 DAVID J. WINTERTON, ESQ.
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2 DAVID J. WINTERTON & ASSOC., LTD.
1140 N. Town Center Drive, Suite 120
3 Las Vegas, Nevada 89144
4 Telephone (702) 363-0317
Facsimile: (702) 363-1630
5 Email: david@davidwinterton.com

6 *Attorneys for Debtor*
7 *and Debtor in Possession*

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

<p>11 In re:</p> <p>12 C & S COMPANY, INC.</p> <p>13 Debtor.</p>	<p>Case No. 16-14155</p> <p>Chapter 11</p> <p>Hearing:</p> <p>Date:</p> <p>Time:</p>
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16 **DEBTOR'S PLAN OF REORGANIZATION**

17 Debtor, C & S COMPANY, INC. (hereinafter, "Debtor"), by and through its counsel, David
18 J. Winterton, Esq., of the law firm of DAVID J. WINTERTON & ASSOCIATES, LTD., hereby
19 presents this Plan of Reorganization (hereinafter "Plan") to all of the known creditors of the Debtor
20 pursuant to 11 U.S.C. § 1125 of the United States Bankruptcy Code. The purpose of this Plan
21 under Chapter 11 of the Bankruptcy Code is to resolve the claims of the creditors and interest
22 holders. The Debtor makes reference to a Disclosure Statement accompanying the Plan
23 (hereinafter, "Disclosure Statement") which contains the Debtor's history, business, property,
24 financial information, a summary of the Plan and related matters.

26 **ARTICLE I.**

27 **DEFINITIONS**

28 **1. SCOPE OF DEFINITIONS.** For purposes of this Plan, all capitalized terms and otherwise

1 defined terms shall have the meanings assigned to them in this Article I. Whenever the
2 context requires, such terms shall include the plural number as well as the singular and the
3 female and/or masculine gender as well as the neuters. Paragraph 58 and 59 of this Article
4 I, which are not capitalized terms in alphabetical order, provide for: (i) the incorporation
5 of defined terms from the Bankruptcy Code or the Bankruptcy Rules; and (ii) the
6 incorporation of all definitions as substantive provisions of this Plan.

7 **1.1** "ADMINISTRATIVE CLAIM" means every Claim which is alleged to be entitled to
8 allowance under Section 503(b) of the Bankruptcy Code or otherwise alleged to be entitled
9 to priority pursuant to Section 507(a)(1) of the Bankruptcy Code. Such Claims will
10 include, but are not limited to, the following: (a) any actual, necessary expense of
11 preserving the Estate; (b) any amount required to be paid under Section 365(b) of the
12 Bankruptcy Code in connection with the curing of defaults under executory contracts or
13 unexpired leases; (c) all allowances, including professional fees and costs, which the
14 Bankruptcy Court is requested to approve for professionals employed by the Debtor; (d) any
15 and all other allowances of fees and costs, including professional fees and costs, which the
16 Bankruptcy Court is requested to approve under Section 503(b) of the Bankruptcy Code;
17 (e) all fees payable pursuant to Section 1930 of Title 28 of the United States Code, as
18 determined by the Bankruptcy Court at a hearing pursuant to Section 1128 of the
19 Bankruptcy Code;
20

21 **1.2** "ALLOWED ADMINISTRATIVE CLAIM" means an Administrative Claim (a) as to
22 which no objection has been filed or, if an objection has been filed, it has been resolved by
23 the allowance of such Administrative Claim by an order of the Bankruptcy Court which has
24 not been stayed, modified or vacated; (b) which requires payment in the ordinary course of
25 business of the Debtor and as to which there is no order of the Bankruptcy Court in effect
26 which prohibits any such payment; or (c) which requires payment pursuant to an order of
27 the Bankruptcy Court which is not stayed, modified, or vacated.
28

1 **1.3** "ALLOWED CLAIM" means a Claim, other than an Administrative Claim, which was
2 listed in the Schedules and filed with the Bankruptcy Court by the Debtor and not listed as
3 a disputed, contingent or unliquidated as to amount of the claim or a Proof of Claim with
4 respect thereto was (a) timely filed pursuant to an order of the Bankruptcy Court;(b)
5 deemed filed under Section 1111(a) of the Bankruptcy Code; or (c) late filed with leave of
6 the Bankruptcy Court; or without objection by the Debtor, or another party in interest
7 within a time fixed by the Bankruptcy Court for objecting to each late filing; and if an
8 objection has been filed it was filed within a time fixed by the Bankruptcy Court or this
9 Plan; (d) the Claim is allowed by a Final Order; or (e) the Claim is allowed under this
10 Plan.

11 **1.4** "ALLOWED INTEREST" means any Interest to which no objection to allowance thereof
12 has been filed within any applicable time for objections or, if an objection has been filed,
13 the Membership Interest has been allowed by a Final Order.

14 **1.5** "ALLOWED PRIORITY DEPOSIT CLAIM" means a Priority Claim which is an Allowed
15 Claim pursuant to Sections 507(a)(7) of the Bankruptcy Code.

16 **1.6** "ALLOWED PRIORITY CLAIM" means a Priority Claim which is an Allowed Claim
17 pursuant to Sections 507(a)(2), (3), (4), (5), (6), (7) or (8) of the Bankruptcy Code.

18 **1.7** "ALLOWED SECURED CLAIM" means a Secured Claim which is an Allowed Claim
19 secured by a lien, security interest or other charge against the property in which the estate
20 has an interest, or which is subject to set-off under Section 553 of the Bankruptcy Code,
21 to the extent of the value, determined in accordance with Section 506(a) of the Bankruptcy
22 Code, of the interest of the holder of such secured Claim in the state's interest in such
23 property, or to the extent of the amount subject to any set-off, as the case may be. An
24 Allowed Secured Claim may include post-petition interest if permitted under Section 506
25 (b) of the Code. Allowed Secured Claims provide for the payment of attorney's fees and
26 costs as provided by 11 U.S.C. Section 506.
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- 1 **1.8** "ALLOWED PRIORITY TAX CLAIM" means a Priority Claim which is an Allowed
2 Claim pursuant to Sections 507(a)(8) of the Bankruptcy Code.
- 3 **1.9** "ALLOWED UNSECURED CLAIM" means an Unsecured Claim which is an Allowed
4 Claim.
- 5 **1.10** "ASSUMPTION LIST" shall have the meaning set forth in Article V of this Plan.
- 6 **1.11** "AVOIDANCE ACTION" means any adversary proceeding brought to seek the recovery
7 of money or property on account of transactions avoidable under Section 544, 547, 548,
8 549 or 550 of the Bankruptcy Code.
- 9 **1.12** "BALLOT" means the Ballot for accepting or rejecting this Plan in a form approved by the
10 Bankruptcy Court.
- 11 **1.13** "BANKRUPTCY CODE" means Title 11 of the United States Code, including any
12 amendments thereto, which is in effect before and as of the Confirmation Date, and
13 thereafter during the Reorganization Case to the extent that it is consistent with the vested
14 rights under this Plan and the Confirmation Date.
- 15 **1.14** "BANKRUPTCY COURT" means the United States Bankruptcy Court for the District of
16 Nevada, or any successor thereto which may be established by an act of Congress, or
17 otherwise, and which has competent jurisdiction over the Reorganization Case, the Estate,
18 and this Plan.
- 19 **1.15** "BANKRUPTCY RULES" means the Federal Rules of Bankruptcy Procedure, as amended,
20 promulgated under 28 U.S.C. § 2075 and the Local Bankruptcy Rules, including any
21 amendments thereto, which are in effect before and as of the Confirmation Date, and
22 thereafter during the Reorganization Case to the extent that they are consistent with the
23 vested rights under this Plan and the Confirmation Order.
- 24 **1.16** "BUSINESS DAY" means any day except Saturday, Sunday, or legal holiday as defined
25 in Bankruptcy Rule 9006(a).
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- 1 1.17 "BAR DATE" means the date set by the Bankruptcy Court to file proof of claims which
2 was November 30, 2016 and the date set for government proof of claim deadline is January
3 24, 2017.
- 4 1.18 "CASE" within the Chapter 11 proceeding, known as C & S COMPANY, INC., Case
5 No.16-14155-MKN pending before the United States Bankruptcy Court, District of
6 Nevada.
- 7 1.19 "CLAIM" means any right to payment, whether or not such right is reduced to judgment,
8 liquidated, unliquidated, fixed contingent, matured, unmatured, disputed, legal, equitable,
9 secured or unsecured; or a right to an equitable remedy for breach of performance if such
10 breach gives right to a right to payment, whether or not such right is an equitable remedy
11 or is reduced judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,
12 disputed, undisputed, secured or unsecured.
- 13 1.20 "CLAIMANT" means the holder of an Allowed Claim or an Allowed Administrative
14 Claim.
- 15 1.21 "CLASS" means each of the categories of Allowed Claims and Allowed Interests
16 described in Article III and IV of this Plan as required under Section 1122 of the
17 Bankruptcy Code.
- 18 1.22 "CONFIRMATION" means the entry of the Confirmation Order by the Bankruptcy Court.
- 19 1.23 "CONFIRMATION DATE" means the date on which the Confirmation Order is entered
20 on the Bankruptcy Court's docket.
- 21 1.24 "CONFIRMATION OF PLAN" means the day that the Court, in open court gives a ruling,
22 that states that the Plan has been confirmed
- 23 1.25 "CONFIRMATION ORDER" means the order of the Bankruptcy Court confirming the
24 Plan pursuant to Section 1129 of the Bankruptcy Code.
- 25 1.26 "CREDITOR" means any Person which asserts a Claim.
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1 **1.27** "DEBTOR and DEBTOR-IN-POSSESSION" means C & S COMPANY in all its
2 capacities, including its capacity as the Debtor in the Reorganization Case.

3 **1.28** "DEBTOR'S PROFESSIONALS" means professionals retained by the Debtor with the
4 approval of the Bankruptcy Court in accordance with Section 327 of the Bankruptcy Code.

5 **1.29** "DEFICIENCY CLAIM" means the unsecured portion of an Allowed Secured Claim as
6 determined by Section 506 of the Bankruptcy Code.

7 **1.30** "DISALLOWED CLAIM" means every Claim which is Disputed Claim that has been
8 determined not to be an Allowed Claim.

9 **1.31** "DISCLOSURE STATEMENT" means the Disclosure Statement with respect to the Plan
10 of Reorganization without limitations and all exhibits and schedules to such Disclosure
11 Statement, in the form approved by the Bankruptcy Court under Section 1125 of the
12 Bankruptcy Code and 3017 of the Bankruptcy Rules.

13 **1.32** "DISPOSABLE INCOME" is the current monthly income received by the Debtor less
14 amounts reasonably necessary to be expended for the normal operations of the Debtor and
15 maintenance and preservation of the Debtor's assets.

16 **1.33** "DISPUTED CLAIM" means every Claim which is not an Allowed Claim or an Allowed
17 Administrative Claim or to which the Debtor in good faith intends to object or to seek to
18 subordinate before the deadline for taking such action set forth in the Plan or in an order
19 of the Bankruptcy Court.

20 **1.34** "EFFECTIVE DATE" means date the Plan becomes effective which is thirty (30) days after
21 the Confirmation Date or a date extended by the Bankruptcy Court.

22 **1.35** "ESTATE" means the estate created in this Reorganization Case pursuant to Section 541
23 and Section 1115 of the Bankruptcy Code.

24 **1.36** "ESTATE ASSETS" means all assets and property of every kind, nature and description
25 in which the Debtor or the Estate has any right, title or interest under Section 541 and
26 Section 1115 of the Bankruptcy Code including, but not limited to: all cash, cash
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1 equivalent, bank deposits, instruments, credit instruments, certificates of deposits and sight
2 drafts, earnings from services performed before and after the commencement of the case,
3 all executory contracts and leases which are not and have not been rejected, personal
4 property, real property, all trademarks, trade names, service marks, displays, symbols, color
5 arrangements, designs and logos.

6 **1.37** "EXEMPT PROPERTY" means Debtor's assets that are exempt pursuant to Nevada law.

7 **1.38** "EXPIRATION DATE" means the last date determined by the Bankruptcy Court for the
8 casting of Ballot which date shall be acceptable to the Debtor.

9 **1.39** "FINAL ORDER" means an order, judgment or other decree which has not been vacated,
10 reversed, stayed, modified or amended and: (a) as to which any appeal or certiorari
11 proceeding which has been or may be prosecuted has been finally decided, or (b) as to
12 which the time for such an appeal or certiorari proceeding has expired and as to which no
13 appeal or petition for certiorari is pending. Notwithstanding the foregoing, the Debtor will
14 have the right, but not the obligation, to waive any requirement of a Final Order or to treat
15 the requirement as being satisfied where the subject order, judgment, or other decree is not
16 stayed and performance thereof will moot any appeal or certiorari proceeding.

17
18 **1.40** "IMPAIRED" means, when used with reference to a Claim or Interest, that is impaired
19 within the meaning of Section 1124 of the Bankruptcy Code.

20 **1.41** "INTEREST" means the membership interest(s) in the Shareholder's interest in the
21 corporation of the Debtor.

22 **1.42** "NON EXEMPT PROPERTY" means Debtor's assets that are not exempt pursuant to
23 Nevada law.

24 **1.43** "ORDER" an order or Judgment of the Bankruptcy Court as entered by the Clerk of the
25 Court on the docket in this Case.

26 **1.44** "PERSON" any natural person, corporation, general partnership, limited partnership
27 association, joint stock company, joint venture, estate, trust, government or any political
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1 subdivision thereof, governmental unity (as defined in the Bankruptcy Code), official
2 committee appointed by the United States Trustee or other legal entity.

3 **1.45** "PETITION DATE" means July 28, 1016, the date on which Debtor filed a petition for
4 relief under Chapter 11 of the Bankruptcy Code.

5 **1.46** "PLAN" means the Plan of Reorganization in the form filed by the Debtor and any
6 amendments or modifications thereof or supplements thereto filed by the Debtor and
7 allowed by the Bankruptcy Code and the Bankruptcy Rules.

8 **1.47** "PRIORITY CLAIMS" means a Claim, other than an Administrative Claim or Priority Tax
9 Claim or Priority Deposit Claim, entitled to priority under Section 507(a) of the
10 Bankruptcy Code.

11 **1.48** "PRIORITY TAX CLAIM" means a Claim that is entitled to priority in payment under
12 Section 507(a)(8) of the Code.

13 **1.49** "PRIORITY DEPOSIT CLAIM" means any Claim against the Debtor entitled to priority
14 in payment under Section 507(a)(7).

15 **1.50** "PRO RATA SHARE" means the proportion that an Allowed Claim in a particular Class
16 bears to the aggregate amount of all Allowed Claims in such Class.

17 **1.51** "REORGANIZATION CASE" means the Debtor's case under Chapter 11 of the
18 Bankruptcy Code which is currently pending before the Bankruptcy Court as Case No. 16-
19 14155-MKN.

20 **1.52** "SCHEDULES" means the Schedules of Assets and Liabilities, as modified or amended
21 from time to time, filed with the Bankruptcy Court by the Debtor in accordance with
22 Section 521 of the Code and Bankruptcy Rule 1007.

23 **1.53** "SECURED CLAIM" means a Claim secured by a Lien which is valid, perfected,
24 enforceable and not avoidable.

25 **1.54** "STATUTORY FEE" means those fees and charges assessed pursuant to Chapter 123 of
26 title 28, of the United States Code, payable to the OUST.
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- 1 **1.55** "UNCLASSIFIED CLAIM" means any Claim which is not part of any Class.
- 2 **1.56** "UNIMPAIRED" means, when used with reference to a Claim or Interest, a Claim or
3 Interest that is not impaired within the meaning of Section 1124 of the Bankruptcy Code.
- 4 **1.57** "UNSECURED CLAIM" means any Claim which is not a Secured Claim, a Priority
5 Claim, an Administrative Claim, or an Unclassified Claim having priority and required to
6 be treated as provided in Sections 507(a)(8) and 1129(a)(9)(C) of the Bankruptcy Code.
7 Allowed Unsecured Claims shall include all Claims arising under 502(g) of the Bankruptcy
8 Code.
- 9 **1.58** "OTHER DEFINITIONS." A term used in this Plan that is not defined in this Plan, but is
10 defined in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning ascribed
11 thereto in the Bankruptcy Code or Bankruptcy Rules.
- 12 **1.59** "INCORPORATION OF DEFINITIONS." All of the definitions stated through this Article
13 I, Sections 1.1 through 1.57, and all definitions incorporated from the Bankruptcy Code or
14 the Bankruptcy Rules pursuant to Section 1.58, including, but not limited to, substantive
15 provisions stated throughout any and all such definitions, are incorporated by reference as
16 substantive provisions of this Plan.

17
18 **ARTICLE II.**

19 **TREATMENT OF UNCLASSIFIED CLAIMS**

20 **2.1 General Overview.**

21 As required by the Bankruptcy Code, the Plan classifies claims and interests in various
22 classes according to their right to priority of payment as provided in the Bankruptcy Code. The
23 Plan states whether each class of claims or interests is impaired or unimpaired. The Plan
24 provides the treatment each class will receive under the Plan.

25 **2.2 Unclassified Claims.**

26 Certain types of Claims are not placed into voting Classes; instead they are unclassified.
27 They are not considered impaired and they do not vote on the Plan because they are
28

1 automatically entitled to specific treatment as provided in the Bankruptcy Code. As such, the
 2 Debtor has not placed the following Claims in a Class. The treatment of these claims is
 3 provided below.

4 **2.3 Administrative Expenses.**

5 Administrative expenses are claims for costs or expenses of administering the Debtor's
 6 Chapter 11 Case which are allowed under Section 507(a)(2) of the Bankruptcy Code. The
 7 Bankruptcy Code requires that all administrative claims be paid on the Plan Effective Date
 8 unless a particular claimant agrees to a different treatment. The following chart lists the
 9 estimated administrative claims and their treatment.

11 NAME	12 AMOUNT OWED	13 TREATMENT
14 US Trustee Fees	\$0.00	Paid in full on the Plan Effective Date
15 David J. Winterton & Associates, Ltd.	16 None at this time \$100,000 est.	17 Paid in full on approval of an application

18 Subject to the Bankruptcy Court's power to authorize or order earlier payment of
 19 Allowed Administrative Claims and Allowed Claim under Section 507(a), (including, but not
 20 limited to, allowances of professional fees and costs and fees relating to the assumption and
 21 rejection of leases), each Allowed Administrative Claim will receive cash in the amount of such
 22 Claim paid on: (a) the Effective Date; (b) the first Business Day following the date on which it
 23 becomes an Allowed Administrative Claim; (c) if incurred in the ordinary course of business,
 24 the date on which payment is due in accordance with the terms applicable thereto; (d) under
 25 such terms as the parties may agree upon for payment or (e) as allowed under Section 507 (a)(8)
 26 of the Bankruptcy Code. The Court must approve all professional fees and expenses listed in
 27 this chart before they may be paid. For all professional fees and expenses, except fees owing to
 28 the Office of the United States Trustee (also known as "OUST"), the profession in question
 must file and serve a properly noticed fee application within ninety (60) days of Plan
 confirmation and the Court must rule on the reasonableness of the fees and costs in the fee
 application. Only the amount of the fees and expenses allowed by the Court will be required to

1 be paid under the Plan. The administrative claim amounts set forth above simply represent the
2 Debtor's best estimates as to the amount of allowed administrative claims in this case. The
3 actual administrative claims may be higher or lower. Much of the actual administrative claims
4 described above for professionals will be dependent upon whether the Debtor is required to
5 engage in substantial litigation regarding the confirmation of the Plan and/or objecting to
6 claims. By voting to accept the Plan, creditors are not acknowledging the validity of, or
7 consenting to the amount of, any of these administrative claims, and creditors are not waiving
8 any of their rights to object to the allowance of any of these administrative claims. Similarly,
9 professionals who have been employed in this case are not being deemed to have agreed that
10 the figures contained herein represent any ceiling on the amount of fees and expenses that they
11 have incurred or are entitled to seek to be paid pursuant to Court order as such fees and
12 expenses are just estimates provided at the time of the preparation of this Plan.

13
14 A government unit is not required to file a request for the payment for amounts due
15 under §§ 503(b)(1)(B)(i) and 503(b)(1)(C) and will be allowed administrative priority under §
16 507(a)(8) only to the extent that such claims are for— a property tax incurred before the
17 commencement of the case and last payable without penalty after one year before the date of the
18 filing of the petition.

19 To the extent allowed, administrative claims are allowed by the Bankruptcy Court prior
20 to the Plan's Effective Date, such allowed administrative claims may be paid by the Debtor. To
21 the extent the administrative claims are allowed after the Plan's Effective Date, such allowed
22 administrative claims will be paid by as set forth in this Plan.

23 **2.4 Priority Tax Claims.** See 507(a)(8)(B)

24 The Debtor does not have any priority tax proofs of claim that have been filed. Priority
25 tax Claims are certain unsecured taxes, fines, penalty as described in § 507(a)(8). The Debtor
26 shall pay any outstanding taxes on the Effective Date if the Debtor has not already paid the
27 taxes. If there are any additional taxes that need to be paid post confirmation, the payments will
28

1 be made from the Debtor's income. If it is not a priority claim and secured, it will be paid
2 upon the sale of the property. If it is not a priority claim and unsecured, it will be paid with the
3 unsecured creditors.

4 **2.5 Payment of Statutory Fees.**

5 To the extent unpaid, on the Effective Date, the Debtor shall pay any then-outstanding
6 Statutory Fees in cash, in full. From and after the Effective Date, the Debtor shall pay, in cash,
7 all Statutory Fees as they come due.

8 **ARTICLE III.**

9 **CLASSIFICATION OF CLAIMS AND INTERESTS**

10 **3.1 Manner of Classification of Claims and Interests.**

11 All Claims and Interests (except, in accordance with Section 1123(a)(1) of the Code,
12 Administrative Claims and Priority Tax Claims) are defined and hereinafter designated in
13 respective Classes. The Plan is intended to deal with all Claims against the Debtor, and
14 Interests of the Debtor. However, only Allowed Claims and Allowed Interests will receive any
15 distribution under this Plan. Notwithstanding references to Allowed Claims in the Classes
16 established by the following Sections of this Article III, the Claims sought to be classified and
17 treated, in the various Classes, may not currently be Allowed Claims, and may be Disputed
18 Claims. The Debtor reserves all rights in this regard.

19 **3.2 Classification.**

20 Claims and interests are divided into the following Classes:

- 21
- 22 a. **Class 1** consists of all of the Allowed Secured Claims of the Internal Revenue
23 Service.
- 24 b. **Class 2** consists of all of the Allowed Secured Claims of the Dean and Penny
25 Brunner 1985 Trust.
- 26 c. **Class 3** consists of all of the Allowed Secured Claim of the Federal Deposit
27 Insurance Corporation.
- 28

1 c. **Class 4** will consist of all Allowed Unsecured Claims.

2 d. **Class 5** will consist of all Allowed Interests.

3 Any Class which is not occupied, as of the hearing on the Confirmation Date of the
4 Plan, by an Allowed Claim or a Claim temporarily allowed pursuant to Bankruptcy Rule 3018
5 will be deemed deleted from the Plan for purposes of the voting on acceptance or rejection of
6 the Plan.

7 **ARTICLE IV.**

8 **TERMS OF THE PLAN AND TREATMENT OF THE CLASSIFIED CLAIMS**

9 **4.1 Class 1 is impaired.** Class 1 consists of all of the Allowed Secured Claims of
10 Internal Revenue Service. The amount of the claim is \$433,974.28 less the amount being paid
11 under a cash collateral agreement that has been approved by the United States Bankruptcy
12 Court on Dkt # 36. The Internal Revenue Service has a secured claim based upon a lien that
13 they filed. It secures all of the accounts receivables and so on of the Debtor.

14 The Class 1 Claimant will be paid the full amount of its secured claim. The
15 Debtor has agreed to make monthly payments in the amount of \$7,500.00 per month until the
16 debt is paid in full. The Debtor will keep the taxes current after confirmation. Under this Plan
17 the Internal Revenue Service will receive on account of such claim deferred cash payments
18 totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the
19 plan, or at least the value of such holder's interest in the estate's interest in such property or for
20 the realization by Internal Revenue indubitable equivalent of such claim.

21 **4.2 Class 2 is impaired.** Class 2 consists of all of the Allowed Secured Claims of
22 Dean and Penny Brunner 1985 Trust. The amount of the claim is \$396,208.84. The Dean and
23 Penny Brunner 1985 Trust has a recorded judgment. There is a pending appeal in this case. It is
24 agreed that Dean and Penny Brunner 1985 Trust would continue to be secured in the amount of
25 \$40,000.
26

27 The Class 2 Claimant will be paid \$40,000 as agreed with \$10,000 upon confirmation of
28 the Plan. The balance will be paid in four (4) quarters of three monthly installments of \$10,000

1 each. The pending appeal will be dismissed with prejudice and a satisfaction of judgment will
2 recorded after the final payment.

3 **4.3 Class 3 is impaired.** The class 3 claimant consists of all of the Allowed Secured
4 Claims of Federal Deposit Insurance Corporation. The amount of the disputed claim is
5 \$1,498,483.32 less the amount being paid under a cash collateral agreement that has been
6 approved by the United States Bankruptcy Court on Dkt # 64. The FDIC alleges they have a
7 secured claim on the accounts receivables and the proceeds thereof only. The basis of the
8 security claim is a UCC-1. The security of the claim and the amount are in dispute. The
9 Internal Revenue Service has a priority secured claim based upon a lien that they filed. It
10 secures all of the accounts receivables and so on of the Debtor.

11 The Class 3 Claimant will be paid the full amount of its secured claim. The
12 Debtor has agreed to make monthly payments in the amount of \$5,553.00 per month until the
13 debt is paid in full. The Debtor will also make payments to cure the arrearage under the old plan
14 over a one (1) year period. The Debtor will keep the taxes current after confirmation. Under
15 this Plan the FDIC will receive on account of such claim deferred cash payments totaling at
16 least the allowed amount of such claim, of a value, as of the Effective Date of the plan, or at
17 least the value of such holder's interest in the estate's interest in such property or for the
18 realization by Internal Revenue indubitable equivalent of such claim.

19 **4.4 Class 4 is impaired.** Class 4 Claimants shall consist of the Allowed Unsecured
20 Claims that are unsecured claims not entitled to priority under Section 507(a) and not in Class 1
21 and 2. Generally, Class 3 shall consist of the Allowed Unsecured Claims for goods and/or
22 services provided to the Debtor before the Petition Date, Allowed Unsecured Claims for breach
23 of contract or rejection of executory contracts and unexpired leases (within the meaning of
24 Section 365 of the Bankruptcy Code), Allowed Unsecured Claims for damages, and Allowed
25 Unsecured Claims in respect of the deficiency Claims. Class 4 will be paid in full over a sixty
26 (60) months of quarterly payments.

27 **4.5 Class 5 is unimpaired.** Class 5 will consist of all Allowed Interests. The
28

1 holders of the Allowed Interests shall retain their interest in the reorganized Debtor and their
2 rights shall reinvest upon an order confirming the Plan in accordance with 11 U.S.C. Section
3 1129(b)(2)(c)(i).

4 Payments will be made in priority as established by the United States Bankruptcy Code
5 including payments to Administrative Claims, Priority Claims and Allowed Unsecured
6 Creditors in the order mandated by the United States Bankruptcy Code from the Debtor's
7 Disposable Income.

8 **ARTICLE V.**

9 **EXECUTORY CONTRACTS**

10 **5.1** All executory contracts and leases shall be rejected at Confirmation except for those
11 listed on the Assumption List which is attached to the Disclosure Statement as "Exhibit 2".
12 The Debtor may amend the Plan to add any other executory contracts and leases to the
13 Assumption List at any time prior to the Effective Date; provided, however, that any
14 amendments made after Confirmation shall be subject to approval by the Bankruptcy Court
15 after notice and a hearing. All executory contracts and leases not listed on the Assumption List,
16 if any, or that is the subject of a motion to assume filed prior to Confirmation, shall be rejected
17 at Confirmation.

18 **5.2** Each party to an executory contract or unexpired lease which is rejected at
19 Confirmation shall file, not later than thirty (30) days after the Confirmation Date, a proof of
20 claim for any Claim arising from the rejection of such executory contract or unexpired lease.
21 Allowed Unsecured Claims arising out of the rejection of executory contract or unexpired
22 leases shall be treated as a Class 31 Claimants.

23 **VI.**

24 **IMPLEMENTATION, EXECUTION AND EFFECT OF THE PLAN**

25 **6.1 Implementation of the Plan.** The Debtor proposes to implement and consummate
26 the Plan through the means contemplated by sections 1123(a)(5)(B), (D), (E), and (G), 1123
27
28

1 (b)(1), 1123 (b)(2), 1123 (b)(3), 1123 (b)(4), and 1123 (b)(6) of the Bankruptcy Code.
2 Confirmation and implementation of the Plan is also subject to the Bankruptcy Court's
3 approval.

4 **6.2 Funding of the Plan.**

5 a. **Cash Flow.** The Debtor will be funded from the cash flow of the business.

6 b. **Debtor's Disposable Income.** The Debtor will take its Disposable Income
7 from the operations of the business. The Debtor shall pay its Disposable Income towards Plan
8 payments, paid quarterly for a period of five (5) years from the Effective Date.

9 **6.3 Disposition of Estate Property and Assets on Effective Date.** The Debtor will
10 become the Plan Administrator of the assets of the Estate on the Effective Date. The Plan
11 Administrator will then take each and every step it deems appropriate to effectuate the terms
12 and conditions of this Plan. The Plan Administrator will then disburse the funds to satisfy the
13 Claims in accordance with this Plan.

14 **6.4 Approval of Payments.** At the time of filing bankruptcy, there were funds that were
15 held by the general contractor. Under the general contractor's agreement, the general contractor
16 can pay the subcontractors generally. This was done by the general contractor. There maybe
17 an issue whether this was the payment of a pre-petition debt or not. If there is an issue that
18 these are pre-petition payments, then these payments will be approved under the terms and
19 conditions of this Plan. In addition, some of those payments were made after the filing of the
20 bankruptcy by the Debtor. This was done under the statute that payment is not due on a
21 governmental contract when the payment has been received and to avoid the subcontractor
22 filing a lien. If this is an issue, these payments will also be considered approved by the
23 bankruptcy court. A list of these payments can be received by contacting counsel for the
24 Debtor.
25

26 **ARTICLE VII.**

27 **MANAGEMENT**

28 **7.1** On and after the Effective Date, the Debtor will maintain the responsibility and control

1 of the assets free of the constraints of the Bankruptcy Code and Bankruptcy Rules but in
2 compliance with the provisions of the Plan as the Plan Administrator.

3 **ARTICLE VIII.**

4 **MODIFICATION OF THE PLAN**

5 **8.1** Before Confirmation, the Debtor may modify the Plan in accordance with Sections
6 1127(a), (c) and (d) of the Bankruptcy Code.

7 **8.2** The Plan may be modified by the Debtor after Confirmation, but before substantial
8 consummation, in accordance with Sections 1127(b), (c), and (d) of the Bankruptcy Code.

9 **8.3** In accordance with Section 1127(e), the Plan may be modified at any time after
10 confirmation of the Plan but before the completion of payments under the Plan, whether or not the
11 Plan has been substantially consummated, upon request of the Debtor, the United States Trustee,
12 or a holder of an allowed unsecured claim, to—

- 13
- 14 a. Increase or reduce the amount of payments on claims of a particular class provided
15 for by the Plan;
 - 16 b. Extend or reduce the time period for such payments; or
 - 17 c. Alter the amount of the distribution to a creditor whose claim is provided for by the
18 Plan to the extent necessary to take account of any payment of such claim made
19 other than under the Plan.

20 **8.4** Before the Effective Date, the Debtor may make appropriate technical adjustments and
21 modifications to the Plan, the Disclosure Statement, and the Confirmation Order provided
22 that such technical adjustments and modifications do not adversely affect the treatment of
23 Claimants under the Plan.

24 **ARTICLE IX.**

25 **DISCHARGE**

26 **9.1** On the Effective Date, all of the Assets and the Estate Assets (except as designated)
27 shall vest in the Debtor. The Assets and the Estate Assets shall vest free and clear of all
28

1 Claims, equity security interests, Liens and encumbrances of Creditors, equity security holders,
2 the Debtor, the Estate, or any other Persons, except the rights with respect thereto created
3 pursuant to or provided for in this Plan or in the Confirmation Order.

4 **9.2** Except as otherwise provided in this Plan or the Confirmation Order, the distributions
5 made pursuant to this Plan will be in full and final satisfaction, settlement, release and
6 discharge as against the Debtor and its Estate, of any debt that arose prior to the Effective Date,
7 including any debt of a kind specified in Section 502(h), (g) or (i) of the Bankruptcy Code, and
8 all Claims of any nature, including without limitation, any interest accrued thereon from and
9 after the Petition Date, whether or not (a) a proof of claim or interest based on such debt,
10 obligation or interest is filed or deemed filed under Section 501 or Section 1111(a) of the
11 Bankruptcy Code, (b) such Claim or interest is allowed under Section 502 of the Bankruptcy
12 Code or (c) the holder of such Allowed Claim or Common Interest has accepted this Plan.

13 **9.3** On and after the Effective Date, except as provided in this Plan and the Confirmation
14 Order, all holders of Claims against the Debtor or the Estate, shall be precluded from asserting
15 any type of claim against the Debtor, or any of the Debtor's assets or properties, or other
16 activity of any kind or nature that occurred prior to the Effective Date, and the Confirmation
17 Order shall permanently enjoin said holders, their heirs, personal representatives, successors
18 and assigns from enforcing or seeking to enforce any such Claims against the Debtor.
19

20 **ARTICLE X.**

21 **GENERAL PROVISIONS**

22 **10.1 Abstention.** If the Bankruptcy Court abstains from exercising or declines to exercise
23 jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this
24 Reorganization Case, Section X shall not affect and shall not control, prohibit or limit the
25 exercise of jurisdiction by any other court having competent jurisdiction with respect to such
26 matter.
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28

1 **10.2 Confirmation by Non-Acceptance Method.** The Debtor hereby requests confirmation
2 of the Plan pursuant to Section 1129(b) of the Bankruptcy Code with respect to any Class which
3 is impaired and does not vote to accept the Plan.

4 **10.3 Construction.** The rules of construction set forth in Section 102 of the Bankruptcy
5 Code will apply to the construction of the Plan.

6 **10.4 Continuing Jurisdiction.** The Bankruptcy Court will retain jurisdiction under 28
7 U.S.C. §1930(a)(6) for the following purposes:

- 8
- 9 a. **Allowance of Claims or Interests.** To hear and determine any and all objections
10 to the allowance of and requests to subordinate any Claim or any controversy
11 over the classification thereof;
- 12 b. **Applications for Compensation.** To hear and determine any and all
13 applications for compensation or reimbursement of costs and expenses pursuant
14 to Section 330 or Section 1129 of the Bankruptcy Code or as otherwise provided
15 for in the Plan, or for costs and expenses or compensation pursuant to Sections
16 503(b)(3) through 503(b)(5) of the Bankruptcy Code;
- 17 c. **Executory Contracts and Expired Leases.** To hear and determine any and all
18 matters relating to the rejection or the assumption and assignment of executory
19 contracts or unexpired leases, and the allowance or disallowance of any Claims
20 resulting therefrom;
- 21 d. **Rights of Action.** To hear and determine all rights of action and any adversary
22 proceeding arising out of a right of action and to enable the Debtor to
23 commence and prosecute after Confirmation any and all contested matters or
24 adversary proceedings which they are entitled to pursue.
- 25 e. **Claims Allowance.** To liquidate, estimate, or disallow any Disputed Claim
26 (including contingent or unliquidated Claims) which is not an Allowed Claim;
- 27 f. **Correct Minor Defects.** To correct any defect, cure any omission, or reconcile
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1 any inconsistency in the Plan or in the Confirmation Order as may be necessary
2 to carry out the purposes and the intent of the Plan;

3 **g. Governmental Regulatory Issues.** To hear and determine all issues relating to,
4 and to issue any necessary and appropriate orders with respect to, any
5 governmental or regulatory agencies or instrumentalities;

6 **h. Plan Interpretation.** To determine any and all disputes which may arise
7 regarding the interpretation of any provisions of the Plan or the Confirmation
8 Order;

9 **i. Injunctive Relief.** To issue any injunction or other relief appropriate to
10 implement the intent of this Plan.

11 **j. Enforcement of Plan.** To facilitate consummation of the Plan by entering,
12 consistent with the provisions of the Plan, any further necessary or appropriate
13 order(s) regarding enforcement of the Plan or its provisions;

14 **k. Final Decree.** To enter an appropriate final decree in the Reorganization Case;
15 in the event of an appeal(s) of the Confirmation Order, and provided that no stay
16 of the effectiveness of the Confirmation Order has been entered, to implement
17 and enforce the Confirmation Order and the Plan according to their terms;

18
19 **10.5 Cramdown.** In the event that any impaired Class is determined to have rejected this
20 Plan in accordance with Section 1126 of the Bankruptcy Code, Debtor may invoke the
21 provisions of Section 1129(b) of the Bankruptcy Code to satisfy the requirements for
22 confirmation of the Plan. The Debtor reserves the right to modify this Plan to the extent, if any,
23 that Confirmation pursuant to Section 1129(b) of the Bankruptcy Code requires modification.

24 **10.6 Disputed Claims.** Any Disputed claims will be handled as follows:

- 25 1. Unless an earlier time is set by order of the Bankruptcy Court or in this Plan, all
26 objections to Claims will be filed by sixty (60) days after the Confirmation Date.
27
28

1 2. Upon a Final Order of the Bankruptcy Court with respect to a Disputed Claim: if
2 any part of the Disputed Claim has been allowed as a Class 1 through 18 and is not
3 subject to being subordinated, the Claimant will receive payment to which it would have
4 been entitled if the part of the Claim so allowed had been allowed as of the
5 Confirmation Date. Such payment will be made as soon as possible after the order
6 allowing the Claim becomes a Final Order;

7 3. After allowance, and to the extent allowed and not subordinated or subject to
8 subordination, the previously Disputed Claim will be treated, for purposes of
9 receiving subsequent distributions (if any), as if it had been allowed as of the
10 Confirmation Date.

11 **10.7 Efficacy Before Confirmation.** This Plan will have no force or effect unless the
12 Bankruptcy Court enters the Confirmation Order.

13 **10.8 Exculpation.** Except as otherwise provided in the Plan, the Debtor, nor any of its
14 respective members, officers, directors, employees, representatives, professionals, or agents,
15 will have or incur any liability to any Creditor for any act or omission in connection with, or
16 arising out of, this Reorganization Case, including, without limitation, prosecuting confirmation
17 of the Plan, consummation of the Plan, or administration of the Plan or the property to be
18 distributed hereunder, except for gross negligence, willful misconduct, or fraud, and in all
19 respects such Persons will be entitled to rely on the advice of counsel with respect to their
20 duties and responsibilities in the Reorganization Case and under the Plan.

21 **10.9 Execution of Documents.** The Bankruptcy Court will direct the Debtor, any
22 Creditor, and any other necessary party to execute and deliver or to join in the execution and
23 delivery of any instrument required to effect a transfer or deemed transfer of property dealt with
24 by the Plan or to perform any other act which is necessary for the consummation of the Plan,
25 pursuant to Section 1142(b) of the Bankruptcy Code.
26
27
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1 **10.10 Fractional Dollars and Shares.** Notwithstanding any other provision of the Plan,
2 no payments of or on account of fractions of dollars will be made to any holder of an Allowed
3 Claim. When any payment of or on account of a fraction of a dollar to any holder of a Claim
4 would otherwise be called for, the actual payment made will reflect a rounding of such fraction
5 to the nearest whole number (up or down). Further, no fractional shares will be issued.

6 **10.11 Governing Law.** Except to the extent the Bankruptcy Code or Bankruptcy Rules are
7 applicable, the rights and obligations arising under the Plan will be governed by, and will be
8 construed and enforced in accordance with, the laws of the State of Nevada.

9 **10.12 Headings.** Headings used in the Plan are inserted for convenience only and do not
10 constitute a portion of the Plan or affect the provisions of the Plan.

11 **10.13 Internal Consistency of Documents.** The benefits of the Debtor's bargains on
12 behalf of its constituents will be preserved, and will not be impaired by contrary or inconsistent
13 covenants, conditions, or provisions of the documents.

14 **10.14 Notices.** All notices and requests to the Debtor (on or after the Effective Date) with
15 respect to the Plan shall be in writing and shall be sent to David J. Winterton Esq., David J.
16 Winterton & Associates Ltd., 1140 N. Town Center Drive, Suite 120, Las Vegas, Nevada
17 89144.

18 **10.15 Request for Payment of Administrative Claim.** Except as specifically set forth
19 otherwise in the Plan, each Creditor asserting an Administrative Claim excluding Debtor's
20 counsel, other than an Allowed Administrative Claim, shall file a request for payment of
21 Administrative Claim on or before thirty (60) days after the Effective Date, unless another date
22 is set by the Bankruptcy Court. All fees payable under section 1930 of title 28, as determined
23 by the court at the hearing on confirmation of the Plan, have been paid or the Plan provides for
24 the payment of all such fees on the Effective Date of the Plan pursuant to 11 U.S.C. §
25 1129(a)(12).
26
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1 **10.16 Reservation of Rights.** Neither the filing of the Plan, nor any statement or
2 provision contained herein, nor the taking of any action by the Debtor with respect to the Plan
3 will be or will be deemed to be an admission or a waiver of any rights prior to the Confirmation
4 Date.

5 **10.17 Revocation or Nullity of Plan and Survival of Vested Rights.** If the Plan will be
6 revoked or withdrawn by the Debtor, or if Confirmation or the Effective Date does not occur in
7 accordance with the Plan, then the Plan will be deemed null and void.

8 **10.18 Severability.** If any provision in the Plan is determined to be unenforceable, and at
9 the option and in the sole discretion of the Debtor, the unenforceable provision may be severed
10 from the Plan; and such determination will not limit or affect the enforce ability of any and all
11 other provisions of the Plan.

12 **10.19 Solicitation or participation.** Pursuant to section 1125(e) of the Bankruptcy Code
13 the Property, managers, officer, direction employee, agents advisors, representative, successors
14 or assign and any Professional employed or any of the foregoing entities will neither have nor
15 incur any liability to any person for their role in soliciting acceptance or rejection of the Plan.
16

17 **10.20 Successors and Assigns.** The rights, benefits, and obligations of any Person named
18 or referred to in the Plan will be binding upon, and will inure to the benefit of, the heirs,
19 personal representatives, successors, and assigns of such Person.

20 **10.21 Time Bar to Cash Payments.** Checks issued by any Person making distributions
21 under this Plan shall be null and void if not cashed within ninety (90) days of the date of
22 issuance thereof. Any Claim in respect of such a voided check shall be made on or before the
23 later of the first anniversary of the date of issuance of such check. After such date, all Claims
24 in respect of voided checks shall be discharged and forever barred.

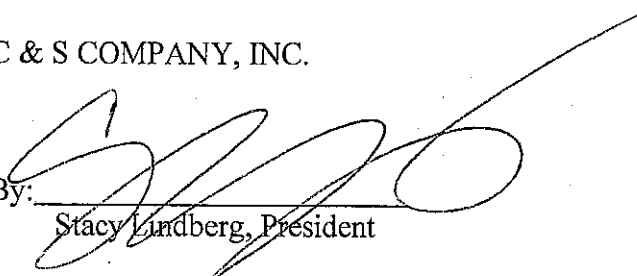
25 **10.22 Voting of Claims.** Any Creditor holding a Claim which has been objected to and
26 which is not an Allowed Claim as of the confirmation hearing will not be entitled to vote on the
27 Plan unless, upon request of the Creditor, the Bankruptcy Court estimates or temporarily allows
28

1 such Claim for voting purposes at or before the confirmation hearing. The Expiration Date
2 shall be five (5) business days before the Confirmation Date.

3 **10.23 Withholding and Reporting Requirements.** In connection with the Plan the Debtor
4 shall file all post-petition reports as required by Local Rule 3020(a), with each report to include
5 the time period ending on the last day of the calendar month at least thirty (30) days prior to the
6 due date of such report. In addition the Debtor will comply with all withholding and reporting
7 requirements imposed by any federal, state, local, or foreign taxing authority; and all
8 distributions under the Plan will be subject to any such
9 withholding and reporting requirements.

10 DATED this 13 day of March, 2017.

11
12 C & S COMPANY, INC.

13
14 
15 By: Stacy Lindberg, President
16

17
18 Prepared and submitted by:

19 DAVID J. WINTERTON & ASSOCIATES, LTD.


20
21 By: /s/ David J. Winterton 
22 DAVID J. WINTERTON, ESQ.
23 Nevada Bar No. 004142
24 1140 N. Town Center Drive, Suite 120
25 Las Vegas, Nevada 89144
26 *Attorneys for Debtor*
27 *and Debtor-in-possession*
28

EXHIBIT 2

LEASE ASSUMPTION LIST

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1. Construction Contract (Henderson College-Paradise) Job # 161202
2. Construction Contract (Clark County Public works - Eastern) Job # 161203
3. CAT 450 Backhoe
4. CAT 938 Loader Serial # J3R00620
5. CAT 335f Excavator Serial # KNE00321
6. CAT 314E Excavator Serial # ZJT01105
7. CAT Skidsteer Serial # D200920
8. Construction Contract (NDOT 3580i-11) Job 151101
9. Construction Contract (NDOT 3628 - Tonopah) Job # 161205
10. Construction Contract (RTC Flamingo CMAR) Job # 151102
11. Construction Contract (Clark County Public Works 215 Airport Connector) JOB #151104
12. Construction Contractor (NDOT 3617 Sloan) Job 151201
13. Construction Contract 9NDOT 3630 - Pahrump) Job # 161204
14. Construction Contract (NDOT 3645)

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EXHIBIT 3
PROJECTIONS

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C and S Company, Inc.
Income Projection Summary

Income Category	2017	2018	2019	2020	2021
Construction	8,400,000	9,600,000	10,800,000	12,000,000	14,400,000
Job Materials	(4,200,000)	(4,800,000)	(5,400,000)	(6,000,000)	(7,200,000)
Labor	(2,375,000)	(2,600,000)	(2,900,000)	(3,600,000)	(4,100,000)
Total Income	1,825,000	2,200,000	2,500,000	2,400,000	3,100,000

C and S Company, Inc.
Expense Projection Summary

Expense Category	2017	2018	2019	2020	2021
Payroll Expenses - Office	491000	525370	89146	95388	102065
Insurance	333025	366326	402958	443254	487581
Professional Fees	141555	155709	171280	188407	207248
Fuel	86665	95333	104865	115356	126886
CandSEquipment	79466	87414	96156	105770	116348
Office Expenses	64730	71204	78324	86156	94772
Bonus	50070	55075	60583	66642	73305
CandS Equipment Maintenanc	40720	44790	49271	54199	59618
Taxes	40683	44750	49226	54150	59562
Office Supplies	15483	17033	18734	20608	22670
Late Fee	14992	16489	18138	19953	21947
Donation	14244	15668	17236	18960	20854
Telephone	13737	15110	16625	18288	20115
Utilities	9247	10173	11189	12308	13539
Travel & Ent	8578	9434	10378	11416	12557
Advertising	8146	8961	9858	10843	11927
Computer / Software	51660	56829	62512	68762	75639
Total Expenses	2653715	2919086	3211000	3532106	3885306

EXHIBIT 4
LIQUIDATION VALUE COMPUTATION AND ANALYSIS:

Debtor's Proposed Plan:

A.	Value of real property	\$ <u>-0-</u>
B.	Value of personal property	<u>\$2,583,726.91</u>
C.	Less secured claims on real and personal property	(<u>\$2,396,143.28</u>)
D.	Less estimated chapter 11 administrative expenses (Attorney fees & U.S. Trustee Fees)	(<u>\$140,000.00</u>)
E.	Less estimated priority claims	(<u>\$ 0</u>)
F.	Projected Income to be Paid to Creditors	\$ <u> </u>
G.	Total value applied to unsecured claims	<u>\$47,583.63</u>

Alternative Chapter 7 Liquidation:

A.	Value of real property	\$ <u>-0-</u>
B.	Value of personal property*	<u>\$2,583,726.91</u>
C.	Less secured claims on real and personal property	(<u>\$2,396,143.28</u>)
D.	Less estimated chapter 11 administrative expenses (Attorney fees & U.S. Trustee Fees)	(<u>\$150,000.00</u>)
E.	Less estimated priority claims	(<u>\$ 0</u>)
F.	Less Chapter 7 trustee fees (For purposes of this analysis, it was presumed that an appointed trustee would not liquidate the under-secured properties)	(<u>\$ 25,000.00</u>)
G.	Total liquidation value applied to unsecured claims	<u>\$ -0-</u>

* The value of the account receivables will drop to zero. The Debtor will not be able to complete the projects. As a result, the general contractor will have the right to get a new subcontractor. It will be at a higher price when the new subcontractor has to come in and finish the project. As a result, there will be not profit from the contract and the value of the accounts receivable will be zero. In addition, the trustee will not be able to complete the project because the trustee is not licensed.

EXHIBIT 5
PROPOSED BALLOT

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3 Las Vegas, Nevada 89144
Telephone: (702) 363-0317
4 Telecopy: (702) 363-1630
Email: david@davidwinterton.com

5 *Attorneys for the DEBTOR*
6 *and DEBTOR-IN-POSSESSION*

7 **UNITED STATES BANKRUPTCY COURT**

8 **DISTRICT OF NEVADA**

9 In re:) BK-S-16-14155-MKN
) Chapter 11
10 C & S COMPANY, INC.)
)
11) Date:
) Time:
12 Debtor.)

13 **BALLOT FOR ACCEPTING OR REJECTING PLAN OF REORGANIZATION**

14 The Plan referred to in this Ballot can be confirmed by the Court and, therefore,
15 made binding on you if it is accepted by the holders of two-thirds (2/3) in amount and more than
16 one-half (1/2) in number of claims in each class. In the event the requisite acceptances are not
17 obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair
18 and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements
19 of 1129(b) of the Code. To have your vote count, you must complete and return this Ballot.

20 The undersigned, a creditor in Class ____ of the named Debtor is the principle
21 amount of \$ _____.

22 (CHECK ONE)

23 () ACCEPTS THE PLAN

24 () REJECTS THE PLAN

25
26 _____
27 SIGNATURE

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Las Vegas, Nevada 89144
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DATED this ____ day of _____, 2017.

PRINT OR TYPE NAME

SIGNATURE / AND TITLE IF A BUSINESS

NAME OF BUSINESS

ADDRESS

RETURN BALLOT ON OR BEFORE _____ TO:

DAVID J. WINTERTON, ESQ.
Nevada Bar No. 004142
DAVID J. WINTERTON & ASSOCIATES, LTD.
1140 No. Town Center Drive, Suite, 120
Las Vegas, Nevada 89144

*Attorneys for the Debtor
and Debtor-in-possession*

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