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CHARTERED AND ASSOCIATES

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:)	Case No. 16-16872-ABL
)	
)	Small Business Case - Chapter 11
EDWARD J. MALIK O.D., CHARTERED)	
& ASSOCIATES,)	Hearing Date: September 6, 2017
)	Hearing Time: 1:30 p.m.
Debtor.)	
)	
)	

DEBTOR'S ~~FIRST~~SECOND AMENDED DISCLOSURE STATEMENT

EDWARD J. MALIK O.D., CHARTERED & ASSOCIATES, a Nevada domestic professional corporation (the "Debtor"), debtor and debtor-in-possession for the above-captioned Chapter 11, hereby submits its ~~First~~Second Amended Disclosure Statement regarding Debtor's First Amended Plan of Reorganization.

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Exhibit A – Plan

Exhibit B – Identity and fair market value of the estate’s assets

Exhibit C – Debtor’s most recent financial statements issued before bankruptcy, as filed with the Court

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I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the small business chapter 11 case of Edward J. Malik O.D., Chartered & Associates (“Debtor”). This Disclosure Statement contains information about the Debtor and describes the Plan of Reorganization (the “Plan”) filed by the Debtor. A full copy of the Plan is attached to this Disclosure Statement as **Exhibit A**. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 8-12 of this Disclosure Statement. General Secured creditors are divided into three classes, 1(a) – 1(c). Unsecured creditors are classified in two classes, which include Class 3(a) (Allowed General Unsecured Claims), which will receive a distribution of 11.5 % of their allowed claims, and Class 3(b) (Disputed Unsecured Claim of O’Bannon Development, LLC).

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why [the Proponent] believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

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

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

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

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on [insert date], at [insert time], in Courtroom 1 at the at the U.S. Bankruptcy Court, District of Nevada, Foley Federal Building, 300 Las Vegas Boulevard South, Las Vegas, NV.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the

ballot in the enclosed envelope to Ghandi Deeter Blackham, Attention Nedda Ghandi, Esq., 725 South 8th St. Suite 100, Las Vegas, NV 89101. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by [insert date] or it will not be counted.

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

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon the debtor, the trustee, any committee appointed under the Code, and any other entity designated by the court, at any time before the disclosure statement is approved or by an earlier date as the court may fix.

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

If you want additional information about the Plan, you should contact Ghandi Deeter Blackham, Attention Nedda Ghandi, Esq., 725 South 8th St. Suite 100, Las Vegas, NV 89101.

C. **Disclaimer**

The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

II. **BACKGROUND**

A. **Description and History of the Debtor's Business**

The Debtor is a Nevada domestic professional corporation. Since 1994, the Debtor has been in the business of optometry.

B. **Insiders of the Debtor**

Edward J. Malik – Equity holder of Debtor. Debtor paid \$50,000 in wages owed to Edward J. Malik from 2015-2016. Debtor disbursed \$123,500 in funds to Edward J. Malik for living expenses, as needed, from April 2015 to March 2016.

C. **Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the “Managers”) were Edward J. Malik.

The Managers of the Debtor during the Debtor's chapter 11 case have been: Edward J. Malik.

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees

of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the “Post Confirmation Managers”), will be: Edward J. Malik. The responsibilities and compensation of these Post Confirmation Managers are described in this Disclosure Statement.

D. Events Leading to Chapter 11 Filing

Adverse business conditions began in 2009. Debtor’s prior principal business location, located at O’Bannon Plaza, was adversely affected due to landlord’s bankruptcy and Debtor’s dispute with the landlord, with the result that Debtor had to abandon the location and be subject to a civil suit by the landlord. Debtor’s next business location terminated Debtor’s lease after filing for bankruptcy and closed the location. The opening of Debtor’s current business location was delayed by the landlord’s bankruptcy. Two of Debtor’s commercial banks failed and canceled Debtor’s credit lines during the Debtor’s move to the current location. Debtor had difficulty accessing proper financing and suffered a lack of available working capital.

E. Significant Events During the Bankruptcy Case

Debtor filed its petition for bankruptcy on December 30, 2016 (“Petition Date”)(Dkt. No. 1). On January 6, 2017, a *Motion for Joint Administration* of Debtor’s bankruptcy case, case no. 16-16872, with lead bankruptcy case, case no. 16-16869, (In re Edward J. Malik) was filed in bankruptcy case no. 16-16869. The bankruptcy court denied the Motion for Joint Administration on February 9, 2017.

Debtor filed its *Motion For An Order (I) Prohibiting Utilities From Altering, Refusing Or Discontinuing Services On Account Of Pre-Petition Claims And (II) Establishing Procedures For Determining Requests For Additional Adequate Assurance Of Payment* on January 9, 2017 (Dkt. No. 20).

Debtor filed its *Motion For An Order Authorizing Maintenance Of Existing Bank Accounts And Related Relief* on January 9, 2017 (Dkt. No. 23). This Motion was opposed by Nevada State Bank (Dkt. No. 34). This Motion was granted on February 27, 2017 (Dkt. No. 44).

Debtor filed its *Application To Employ Ghandi Deeter Blackham As Attorneys - General Reorganization Counsel To Debtor Nunc Pro Tunc To The Petition Date* on January 10, 2017 (Dkt. No. 28), and filed its amendment thereto on January 26, 2017 (Dkt. No. 36). The Application to Employ was granted on February 22, 2017 (Dkt. No. 43).

Debtor filed its *Motion Pursuant To 11 U.S.C. §§ 105, 361, 362, 363, 364, 1107 and 1108 and Rules 4001(b), 6003 and 6004 Of the Federal Rules Of Bankruptcy Procedure For Entry Of An Order (A)(I) Authorizing The Use Of Cash, Including Cash Collateral, (II) Finding That The Interests Of Any Purportedly Secured Party Are Adequately Protected, And (III) Granting Related Relief, Or (B) Alternatively, Authorizing The Debtor To Surcharge The Prepetition Collateral* on March 15, 2017 (Dkt. No. 45). This Motion was granted in part and denied in part on April 27, 2017 (Dkt. No. 52).

On February 9, 2016, O’Bannon Development LLC filed a complaint in the Eighth Judicial District Court of Nevada, civil case no. A-16-731547-C, against Debtor, asserting breach of contract claims. On the Petition Date, a Suggestion of Bankruptcy was filed in that case. On January 6, 2017, the district court entered its civil order to statistically close the case.

F. Projected Recovery of Avoidable Transfers

The Debtor has not yet completed its investigation with regard to prepetition transactions. If you received a payment or other transfer within 90 days of the bankruptcy, or other transfer avoidable under the Code, the Debtor may seek to avoid such transfer.

G. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in **Exhibit B**.

The Debtor's most recent financial statements issued before bankruptcy, each of which was filed with the Court, are set forth in **Exhibit C**.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case is set forth in **Exhibit D**.

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

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

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

B. Unclassified Claims

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

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	50,000	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	500.00	Paid in full on the effective date of the Plan
Other administrative expenses	0.00	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	4,875.00	Paid in full on the effective date of the Plan
TOTAL	\$55,375.00	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Department of the Treasury – Internal Revenue Service - Taxes	\$100.00	2/20/2017	Paid in full on Effective Date.

C. Classes of Claims and Equity Interests

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

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

Class 1(a) consists of the Secured Claim of Nevada State Bank for the Secured Business Loan/SBA Loan, x3481. The loan is secured by lien against property located at 1725 Calico Drive, Las Vegas, NV (title held by Malik Family Trust) and against all Debtor business assets pursuant to UCC filings.

Class 1(b) consists of the Secured Claim of Stearns Bank, N.A. Equip. Finance Div. for the Purchase Money Security loan, x6003. The loan is secured by lien against the following property: Optos 200 DX Retinal Imaging System SNSN 0600 w/scanhead, instrument table, solo stations X1, patient chair.

Class 1(c) consists of the Secured Claim of Stearns Bank, N.A. Equip. Finance Div. for the Lease of equipment, x6004. The Lease is secured by the following property: Reliance Power Base, Non-Tilt Chair SN: 00B0714003r; Topcon CV-5000S Electronic Refractor SN: 2321263; Topcon PC-50S LCD Acuity System SN: 287699; Topcon KR-1w Wavefront Auto Refractor / Keratometer/ Topographer SN: 3551160; Topcon CL-300.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class #	<u>Description</u>	Insider? (Yes or No)	Impaired?	Treatment
1(a)	<p>Allowed Secured Amount = \$214,632.70 (POC 6). Priority: none Principal Owed = \$214,485.79 Prepetition Interest = \$146.91 Total Claim = \$214,632.70</p>	No	Yes	<p>Claim shall be paid pursuant to loan agreement. Monthly Payment = \$ 5,054.80 Payments End: March 28, 2021 Balloon Pmt: Any outstanding principal and interest as of March 28, 2021. Interest rate: 7.0% Treatment of Lien: Unmodified Payment of \$146.91 shall be made on the Effective Date to cure interest arrear.</p>
1(b)	<p>Allowed Secured Amount = \$24,775.74 (POC 4). Priority: none Principal Owed = \$24,775.74 Prepetition Arrears = \$0.00 Total Claim = \$24,775.74</p>	No	Yes	<p>Claim shall be paid pursuant to original contract. Original monthly payment: \$750.78 Original end date: Dec. 2019 Original interest rate: 5.37% Treatment of Lien: Unmodified</p>
1(c)	<p>Allowed Secured Amount = \$41,627.44 (POC 3). Priority: none Principal Owed = \$41,627.44 Prepetition Arrears = \$0.00 Total Claim = \$41,627.44</p>	No	Yes	<p>Claim shall be paid pursuant to lease agreement. Monthly Payment = \$ 1,165.27 Payments End: December 2019 (63rd month of lease) Interest rate: 6.07% Treatment of Lien: Unmodified</p>

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the

effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

To date, Debtor has no Section 507(a)(1), (4), (5), (6), or (7) priority claims.

3. *Classes of General Unsecured Claims*

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

Class 3(a) consists of the Allowed General Unsecured Claims; estimated amounts thereof are listed in **Exhibit H**.

Treatment: Holders of Class 3(a) Allowed General Unsecured Claims, as described in the Plan as eligible for payment will receive, in full and final satisfaction of such allowed Class 3(a) claims, payment equal to eleven and one-half percent (11.5%) of their allowed claim, paid pursuant to Debtor's monthly payments over five (5) years after the Effective Date, distributed as described herein, plus interest as set forth herein. This payment shall be full satisfaction, settlement, release and exchange for such Allowed General Unsecured Claims. Upon payment, all Allowed General Unsecured Claims shall be released without further action by Debtor or notice to Holders of Allowed General Unsecured Claims being necessary.

Interest: Each Holder of a Class 3(a) Claim shall receive on account of such Holder's Claim payment of postpetition interest calculated at the Federal Judgment Rate unless there is an applicable contractual interest rate, in which case interest shall be paid at the contractual interest rate so long as (i) a contractual interest rate was set forth in a timely filed proof of claim or (ii) the Holder of such Claim provides written notice of such contractual interest rate to the Debtor's counsel on or before the Effective Date, and subject to the Debtor's and any other Person's right to verify or object to the existence of the asserted contractual rate of interest.

Class 3(b) consists of the disputed unsecured claim of O'Bannon Development, LLC (POC 7). This claim is of a lessor for damages resulting from the termination of a lease of real property, and is therefore governed and limited by 11 U.S.C. §502(b)(6). Debtor scheduled this claim in the amount of \$65,400.00 for rent subject to Section 502(b) allowance. Creditor O'Bannon Development, LLC filed proof of claim 7 asserting a claim for \$348,603.10, purportedly for rent, CAMS, lease termination damages, and nontermination damages. ~~Debtor intends to object to this claim. Debtor and O'Bannon have settled this claim pursuant to the terms discussed below.~~ As disclosed above, O'Bannon initiated prepetition litigation against the Debtor, and the Debtor, in turn, may have possible counterclaims and business interruption claims against O'Bannon. Based on the foregoing, Debtor believes that this claim is substantially dissimilar to the claims of other unsecured creditors (which claims are for credit card debt and fees) and is therefore separately classified here pursuant to 11 U.S.C. § 1122(a).

Pursuant to Section 502(b)(6), this claim may not exceed:

(A) the rent reserved by such lease, without acceleration, for the greater of one year, or 15 percent, not to exceed three years, of the remaining term of such lease, following the earlier of--

- (i) the date of the filing of the petition; and
- (ii) the date on which such lessor repossessed, or the lessee surrendered, the leased property; plus

(B) any unpaid rent due under such lease, without acceleration, on the earlier of such

dates.

The Plan provides for payment of this claim in the amount of \$65,400, equal to nineteen percent (19%) of the filed proof of claim amount, paid pursuant to Debtor's monthly payments over five (5) years after the Effective Date. Debtor and O'Bannon have reached a settlement agreement concerning the payment of this claim. In full satisfaction, settlement, release and exchange of this claim, Debtor shall pay O'Bannon ninety-five thousand dollars (\$95,000.00) over five (5) years with no interest, with equal monthly payments to commence on the first day of the month following the Effective Date.

The following chart identifies the Plan's proposed treatment of Classes 3(a) through 3(b), which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3(a)	General Unsecured Class	Impaired	<p>Estimated Total Amount of Claims: \$171,708.02 Estimated Amount Paid: \$19,746.42</p> <p>Est. Monthly Pmt = \$337.53 Pmts Begin: Month following Effective Date Pmts End: 60 months thereafter Est. Interest Rate from Effective Date = 1% Est. % of Claim Paid = 11.5%</p>
3(b)	Disputed <u>Settled</u> Unsecured Claim of O'Bannon Development LLC	Impaired	<p>Claimed Amount: \$348,603.10 Estimated Amount Paid: \$65,400.00 <u>95,000.00</u> Est. Monthly Payment: \$1,117.93 <u>1,583.33</u></p> <p>Pmts Begin: First day of the M <u>First day of the M</u> month following Allowance of Claim <u>Effective Date</u> Pmts End: 60 months thereafter Est. Interest Rate from Effective Date = 1 <u>0</u>% Est. % of Claim Paid = 19 <u>27</u>%</p>

4. *Class of Equity Interest Holders*

Equity Interest Holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor and are classified here in Class 4. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company, the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the debtor is the equity interest holder.

In this Chapter 11 Case, the Debtor is a Nevada professional corporation. Upon the Effective Date of the Plan, all equity interests in the Debtor will be retained by the Debtor's equity interest holder, Edward J. Malik.

As set forth herein, Mr. Malik will receive the New Equity Interests in the Debtor in exchange for contributions to the Debtor’s estate to fund the Plan and the Debtor’s business operations, namely, Mr. Malik will contribute \$15,000 to the Debtor (the “Equity Contribution” or “New Value”). In exchange for the Equity Contribution, Mr. Malik shall receive the New Equity Interests in the Reorganized Debtor.

In order to comply with the Bankruptcy Code and Ninth Circuit Court of Appeal case law, the Equity Contribution must be: (1) new; (2) substantial; (3) money or money’s worth; (4) necessary for a successful reorganization; and (5) reasonably equivalent to the value of interest received.

Here, the Equity Contribution satisfies these requirements because the Equity Contribution to be submitted: (1) constitutes new contributions; (2) is substantial is so much as it is necessary to make confirmation feasible; (3) is money or money’s worth; (4) is necessary for a successful reorganization; and (5) is equal to or greater than the value to be received.

Importantly, to keep equity in Debtor’s business, Edward J. Malik personally shall make the Equity Contribution of \$15,000.00 to help fund payments for this Chapter 11 Plan. Dr. Malik believes that upon confirmation of the Plan, he can afford a \$15,000.00 Equity Contribution. Debtor believes the Equity Contribution of \$15,000.00 is substantial, and will comply with the requirement for “new value” because it represents approximately ~~6.33~~ 5.62% of the estimated allowed unsecured claims in this case.¹

The following chart sets forth the Plan’s proposed treatment of the class of equity interest holders:

Class #	Description	Impairment	Treatment
4	Equity interest holders	Unimpaired	<p> Holders of Class 4 Equity Interests shall receive no distributions of cash pursuant to the Plan, but upon the Effective Date of the Plan, shall retain their legal interest, including their Equity Interests, in the Debtor. </p>

D. Means of Implementing the Plan

1. *Source of Payments*

¹ As set forth herein, the estimated total of allowed General Unsecured Claims in Class 3(a) is \$171,708.02, and the estimated total of the allowed Class 3(b) claim is ~~\$65,400 per the Section 502(b)(6) cap~~ 95,000 per the parties’ settlement, for an estimated total unsecured claims against the Debtor of ~~\$237,108.02~~ 266,708.02. The Equity Contribution of \$15,000 represents approximately ~~6.33~~ 5.62% of this amount.

Payments and distributions under the Plan will be funded by the following:

The proposed monthly payments to Holders of Class 1(a)-1(c), 3(a), and 3(b) claims are estimated as follows, which estimates are subject to change pursuant to the Allowed amount of Claims: Class 1(a) estimated payments to total \$ 5,054.80 per month through March 28, 2021; Class 1(b) estimated payments to total \$750.78 per month through December 2019; Class 1(c) estimated payments to total \$1,165.27 per month through December 2019; Class 3(a) estimated payments to total \$337.53 per month for 60 months (estimated using federal interest rate estimate of 1%); Class 3(b) estimated payments to total ~~\$1,137.93~~ 1,583.33 per month for 60 months from ~~allowance~~ the first day of the month following the Effective Date (estimated using federal interest rate estimate of 1%).

Thus, total estimated monthly payments for months 1- 60 following confirmation are estimated as follows:

Month 1 - 2/2019	\$ 8,426.31 <u>8,891.71</u>
1/2020 - 3/2021	\$ 6,510.26 <u>6,975.66</u>
4/2021 - 60th Month	\$ 1,455.46 <u>1,920.68</u>

Debtor projects that it will continue to have sufficient revenue to cover these estimated payments, as shown in its financial records filed herewith and with its monthly operating reports as well as the information provided in Exhibit G.

Additionally, Edward J. Malik personally intends to make an equity contribution of \$15,000.00 (the "Equity Contribution") to help fund plan payments.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider (yes or no)?	Position	Compensation
Edward J. Malik, OD		Yes	President	\$50,000/year

E. **Risk Factors**

The proposed Plan has the following risks: Debtor may experience an unforeseen drop in revenue preventing it from making the payments required under the Plan.

F. **Executory Contracts and Unexpired Leases**

The Plan, in Section 6.1, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Section 6.1 also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Section 6.1 of the Plan will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

The following are the anticipated tax consequences of the Plan:

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE IRC. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to Holders of Allowed Claims. This summary is based on the Internal Revenue Code (the "IRC"), the U.S. Treasury Regulations promulgated thereunder, judicial authorities, published administrative positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. No rulings or determinations of the IRS or any other taxing authorities have been sought or obtained with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion is for general information only and does not purport to address all aspects of U.S. Federal income taxation that may be relevant to Holders of Claims in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, pass-through entities, brokers and dealers in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies or regulated

investment companies). This discussion only addresses the tax consequences to Holders of Claims who have held such Claims as capital assets within the meaning of the IRC. No aspect of foreign, state, local or estate and gift taxation is addressed.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF AN ALLOWED CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL AND NON-UNITED STATES TAX CONSEQUENCES OF THE PLAN.

In General.

The U.S. federal income tax consequences of the distributions contemplated by the Plan to Holders of Claims will depend upon a number of factors. The character and amount of income, gain or loss recognized as a consequence of the Plan and the distributions provided thereby will depend upon, among other things, (i) the manner in which a Holder acquired a Claim, (ii) the length of time the Claim has been Held, (iii) whether the Claim was acquired at a discount, (iv) whether the Holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years, (v) whether the Holder has previously included in income accrued but unpaid interest with respect to the Claim (vi) the method of tax accounting of the Holder, and (vii) whether the Claim is an installment obligation for U.S. federal income tax purposes.

For purposes of the following discussion, a “U.S. Holder” is any person (i) who is a citizen resident of the United States; (ii) that is a corporation or partnership created or organized in or under the laws of the United States or any state thereof of the District of Columbia; (iii) that is an estate, the income of which is subject to U.S. Federal income taxation regardless of its source; or (iv) that is a trust (a) the administration over which a United States person can exercise primary supervision and all of the substantial decisions of which one or more United States persons have the authority to control or (b) that has elected to continue to be treated as United States person for U.S. federal income tax purposes. A “Non-U.S. Holder” is any person that is not a U.S. Holder. In the case of a partnership, the tax treatment of its partners will depend on the status of the partner and the activities of the partnership. Holders who are partnerships or partners in a partnership should consult their tax advisors.

Certain Holders of Claims (such as foreign persons, S corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers, and tax exempt organizations) may be subject to special rules not addressed in this summary of the U.S. federal tax consequences. There also may be state, local and/or foreign income or other tax considerations or U.S. federal estate and gift tax consideration applicable to Holders of Claims, which are not addressed herein. EACH HOLDER OF A CLAIM OR EQUITY INTEREST AFFECTED BY THE PLAN IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR WITH RESPECT TO DISTRIBUTIONS RECEIVED UNDER THE PLAN.

U.S. Holders of Claims.

A U.S. Holder should generally recognize capital gain or loss for U.S. income tax purposes in an amount equal to the difference between the amount of Cash (and other consideration received) under the Plan in respect of such Holder’s Claim and the Holder’s adjusted tax basis in the Claim. However, to the extent a U.S. Holder received any Cash (or other consideration) in satisfaction of any accrued

and unpaid interest, such Holder may recognize ordinary income or loss to the extent that such Cash (or other consideration) is allocable to the accrued and unpaid interest, unless such Holder has previously included the accrued interest in such Holder's taxable income.

Importance of Obtaining Professional Tax Assistance.

The U.S. federal income tax consequences to a Holder other than a Holder receiving Cash (or other property) in satisfaction of such Holder's Claim may be different from the tax consequences described above. Holders of each such Claim should consult their tax advisers regarding potential federal income tax consequences.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S., STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code.

These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

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

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

In this case, the Plan Proponent believes that classes 1(a), 1(b), 1(c), 3(a), and 3(b) are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that class 4 is unimpaired and that holders of claims in this class, therefore, do not have the right to vote to accept or reject the Plan.

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

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed,

contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was May 3, 2017 (June 28, 2017 for government claims).

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

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

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

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

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

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

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

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

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and all

impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section [B.2.].

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

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

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

2. *Treatment of Nonaccepting Classes*

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

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

C. **Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as **Exhibit E**.

D. **Feasibility**

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

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as **Exhibit F**.

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

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

The Plan Proponent has provided projected financial information. Those projections are listed in **Exhibit G** and show that the Plan Proponent will have sufficient cash flow to make the required Plan payments.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. On the confirmation date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

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

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

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

VI. OTHER PLAN PROVISIONS

A. Retention of Jurisdiction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) To enter any order, including injunctions, necessary to enforce the title, rights and powers of Debtor's limitations, restrictions, terms and conditions on such title, rights and powers as the Bankruptcy Court may deem necessary or appropriate;

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

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

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

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

(s) To determine issues and disputes with respect to the Refinanced Secured Loan Documents as required by the Plan arising after the Effective Date; and

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

B. Jurisdiction Unaffected.

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

C. Failure of Bankruptcy Court To Exercise Jurisdiction.

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

D. Injunction Against Interference With Plan.

Upon the Effective Date, all Holders of Claims against or Interests in Debtor and their respective Representatives and any of their successors or assigns shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

E. Adequate Protection Liens; Cash Collateral Orders.

As of the Effective Date, any replacement Liens granted as adequate protection pursuant to the terms of any Cash Collateral Orders shall be deemed to be terminated, discharged, eliminated and of no further force and effect.

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

F. Modification of Debt Instruments.

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

G. Judgments Void.

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

H. Revesting of Assets in Debtor.

Except as otherwise expressly provided herein or in the Confirmation Order, on the Effective Date, but retroactive to the Confirmation Date, without any further action, Debtor will be vested with all of the property of the Estate, wherever situate, free and clear of all Claims and Liens (except for Liens provided or authorized pursuant to the Plan and Permitted Encumbrances). Without limiting the generality of the foregoing, on and after the Effective Date, Debtor shall be vested with all of the property of the Estate, wherever situate, free and clear of any Claims based on any form of successor liability or similar or related theory of liability. On and after the Effective Date, (i) Debtor shall be free of any restrictions imposed by the Bankruptcy Code or Bankruptcy Court, may operate their business and may use, acquire or dispose of their assets (including the Properties) free of any restrictions imposed by the Bankruptcy Code and the Bankruptcy Rules and without supervision or approval by the Bankruptcy Court, other than the obligations set forth in the Plan, or the Confirmation Order. Without limiting the generality of the foregoing and except as otherwise expressly provided herein or in the Confirmation Order, any Causes of Action will be preserved and retained solely for Debtor's commencement, prosecution, use and benefit.

I. Preservation of Causes of Action.

Pursuant to Bankruptcy Code Section 1123(b), Debtor shall retain and reserve the right to enforce all rights to commence and pursue Causes of Action whether arising prior to or after the Petition Dates, and whether pending as of or Filed after the Effective Date, in any court or other tribunal. Unless a Cause of Action is expressly waived, relinquished, released, compromised or settled in the Plan, or any Final Order, Debtor on behalf of themselves expressly reserve all Causes of Action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to any Causes of Action upon Confirmation or the Effective Date. No entity may rely on the absence of a specific reference in the Plan, any Plan Supplement, or the Disclosure Statement to any Cause of Action against them as an indication that Debtor, will not pursue any and all available Causes of Action against them.

Debtor expressly reserves all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.

J. Maintenance of Administrative Claim Status Post Discharge.

Notwithstanding any discharge granted to Debtor, Allowed Administrative Claims shall maintain their administrative priority status under Bankruptcy Code Section 507(a)(2) until paid in full.

K. No Limitation on Effect of Confirmation.

Nothing contained in the Plan or the Disclosure Statement will limit, waive or restrict in any way the effect of Confirmation as set forth in Bankruptcy Code Section 1141. Confirmation will bind Debtor, all Creditors, Equity Interest Holders and other parties in interest to the provisions of the Plan, whether or not the Claim or Equity Interest of such Creditor or Equity Interest Holder is Impaired under the Plan and

whether or not such Creditor or Equity Interest Holder has accepted the Plan and whether or not a proof of Claim or Equity Interest has been filed or deemed to have been filed under Bankruptcy Code Sections 501 or 1111(a), or such Claim or Equity Interest is allowed under Bankruptcy Code Section 502.

VII. MISCELLANEOUS PROVISIONS

A. Modification of the Plan.

Debtor may alter, amend or modify the Plan at any time before the entry of the Confirmation Order, provided that the Plan, as altered, amended or modified, satisfies the conditions of Bankruptcy Code Sections 1122 and 1123, and Debtor shall have complied with Bankruptcy Code Section 1125. However, the Bankruptcy Court may require a new disclosure statement and/or re-voting on the Plan if Debtor modifies the plan before Confirmation.

Debtor may also seek to alter, amend or modify the Plan at any time after Confirmation so long as (i) the Plan has not been substantially consummated, (ii) as altered, amended or modified the Plan satisfies the conditions of Bankruptcy Code Sections 1122 and 1123, and (iii) the Bankruptcy Court authorizes the proposed modification after notice and a hearing under Bankruptcy Code Section 1129.

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

Debtor further reserves the right to modify the treatment of any Allowed Claims at any time after the Effective Date of the Plan upon the consent of the Creditor whose Allowed Claim treatment is being modified, so long as no other Creditors are materially adversely affected.

Debtor reserves the right, in accordance with the Bankruptcy Code, to amend or modify the Plan before or after the Confirmation Date, including making any amendments or modifications to satisfy the requirements of Bankruptcy Code Section 1129(b), if necessary.

B. Notices.

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

If to Debtor, to:

EDWARD J. MALIK O.D., CHARTERED & ASSOCIATES
11035 Lavender Hill Dr. 180
Las Vegas, NV 89135
with copies to:

Ghandi Deeter Blackham Law Offices
NEDDA GHANDI, ESQ.
725 South 8th St. Suite 100
Las Vegas, Nevada 89101
Telephone: (702) 878-1115
Facsimile: (702) 447-9995

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

C. Limitation of Notice.

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

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

D. Requisite Secured Lender's Approval.

Wherever the approval of a Secured Lender with respect to a Secured Loan or Refinanced Secured Loan is referred to anywhere in the Plan, the Person or Entity seeking such approval shall be entitled to direct the request for approval solely to that Secured Lender named herein with respect to such Secured Loan on behalf of other Holders of Claims with respect to such Secured Loan and such Secured Lender shall then be responsible for determining and communicating in writing whether or not such approval has or has not been obtained. Any written statement by such Secured Lender to any other Person or Entity concerning any consent or approval of the Secured Lender and Related Secured Claim Holders required hereunder may be relied upon by such Person or Entity.

E. Headings.

The headings used in the Plan are inserted for convenience only and do not constitute a portion of the Plan nor in any manner affect the provisions of the Plan.

F. Exhibits.

All exhibits and documents included in the Disclosure Statement are incorporated into and are a part of the Plan, as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall have been available upon written request to Debtor's counsel at the address above or by downloading such exhibits and documents from the Bankruptcy Court's website at <http://www.nvb.uscourts.gov>. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

G. Nonseverability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power, at the request of Debtor and subject to the consent of any party adversely affected thereby, to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, Impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the consent of Debtor and any other Person or Entity affected by such provision; and (c) nonseverable and mutually dependent.

H. Waiver or Estoppel.

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

I. Conflicts.

(a) To the extent that any provision of the Disclosure Statement, any Plan Supplement (other than any amendments to the Plan or any Refinanced Secured Loan Documents), or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any inconsistent with any provision of the Plan, the Plan shall govern and control, unless expressly set forth herein.

(b) From and after the Effective Date, to the extent that any provision of the Plan, the Disclosure Statement, any Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of any Refinanced Secured Loan Document, then such Refinanced Secured Loan Document shall govern and control, unless expressly set forth therein.

J. Computation of Time.

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

K. Governing Law.

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

L. Successors and Assigns.

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

M. Good Faith.

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

N. Post-Confirmation Conversion or Dismissal.

A creditor or party in interest may bring a motion to convert or dismiss the Chapter 11 Cases under Bankruptcy Code Section 1112(b), after the Plan is confirmed, if there is a default in performance of the Plan or if cause exists under Bankruptcy Code Section 1112(b). If the Bankruptcy Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Estate, and that has not been disbursed or distributed pursuant to the Plan, will revert in the Chapter 7 estate, and the automatic stay will be re-imposed upon the re-vested property only to the extent that relief from stay was not previously granted by the Bankruptcy Court during these Chapter 11 Cases. In addition, any Allowed Administrative Claims which are not paid on the Effective Date shall continue to be entitled to administrative priority, under Bankruptcy Code Section 507(a)(1) in any such subsequent Chapter 7 case to which this case is converted.

O. Post Confirmation Reports and Quarterly Fees.

Until the entry of the final decree, Debtor shall file with the clerk, not later than twenty (20) days after the end of the calendar quarter which occurs after the entry of this order, and every six (6) months thereafter, a report of the action taken by the Reorganized Debtor and the progress made toward consummation of the Confirmed Plan. Said report shall include, at a minimum, the following information:

- (A) A schedule of any personal property costing more than \$5,000 and any real property acquired, sold or disposed of since confirmation of the plan and the price paid for each;
- (B) A schedule listing each debt, the total amount required to be paid under the plan, the amount required to be paid to date, the amount actually paid to date, and the amount unpaid;
- (C) A schedule of executory contracts entered into after plan confirmation;
- (D) A statement listing each post-petition tax (i.e., income, payroll, property, sales), and payee and the amount actually paid;
- (E) The progress toward completion of the confirmed plan and a list and status of any pending adversary proceedings or motion and resolution expected; and
- (F) A statement regarding the status of payment of both pre-confirmation and post confirmation United States trustee quarterly fees.

U.S. Trustee Fees continue to be payable to the Office of the United States Trustee postconfirmation until such time as the case is converted, dismissed, or closed pursuant to Final Decree.

P. Entire Agreement.

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

/s/ Edward J. Malik

[Signature of the Plan Proponent]

/s/Nedda Ghandi

[Signature of the Attorney for the Plan Proponent]

EXHIBIT "A"

SECOND AMENDED PLAN OF REORGANIZATION

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GHANDI DEETER BLACKHAM

Electronically Filed September 1, 2017

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CHARTERED AND ASSOCIATES

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:)	Case No. 16-16872-ABL
)	
)	Small Business Case - Chapter 11
EDWARD J. MALIK O.D., CHARTERED)	
& ASSOCIATES,)	Hearing Date: September 6, 2017
)	Hearing Time: 1:30 p.m.
Debtor.)	
)	
_____)	

DEBTOR'S ~~FIRST~~SECOND AMENDED PLAN OF REORGANIZATION

EDWARD J. MALIK O.D., CHARTERED & ASSOCIATES, a Nevada domestic professional corporation (the "Debtor"), debtor and debtor-in-possession for the above-captioned Chapter 11, hereby submits its ~~First~~Second Amended Plan of Reorganization.

ARTICLE I
SUMMARY

This Plan of Reorganization (the “Plan”) under chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of EDWARD J. MALIK O.D., CHARTERED & ASSOCIATES (the “Debtor”) from cash flow from operations and future income.

This Plan provides for three classes of secured claims; two classes of unsecured claims; and one class of equity security holders. General Secured creditors are divided into three classes, 1(a) – 1(c). Unsecured creditors are classified in two classes, which include Class 3(a) (Allowed General Unsecured Claims), which will receive a distribution of 11.5 % of their allowed claims, and Class 3(b) (Disputed Unsecured Claim of O’Bannon Development, LLC). This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

Priority Tax Claim under § 507(a)(8): The claim of the IRS for \$100.00.

2.01 Class 1(a). The claim of Nevada State Bank for the Secured Business Loan/SBA Loan, x3481, to the extent allowed as a secured claim under § 506 of the Code.

Class 1(b). The claim of Stearns Bank, N.A. Equip. Finance Div. for the Purchase Money Security loan, x6003, to the extent allowed as a secured claim under § 506 of the Code.

Class 1(c). The claim of Stearns Bank, N.A. Equip. Finance Div. for the Lease of equipment, x6004, to the extent allowed as a secured claim under § 506 of the Code.

2.02 Class 2. To date, Debtor has no Section 507(a)(1), (4), (5), (6), or (7) priority claims.

2.03 Class 3(a). All unsecured claims for credit card debt and fees allowed under § 502 of the Code.

Class 3(b). Unsecured claim for lease damages as allowed under § 502 of the Code.

2.04 Class 4. Equity interests of the Debtor.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

3.1 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.2 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VIII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.3 Priority Tax Claims. Each holder of a priority tax claim will be paid in full on the effective date of the Plan.

3.4 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

Class #	<u>Description</u>	Insider? (Yes or No)	Impaired?	Treatment
1(a)	Allowed Secured Amount = \$214,632.70 (POC 6). Priority: none Principal Owed = \$214,485.79 Prepetition Interest = \$146.91 Total Claim = \$214,632.70	No	Yes	Claim shall be paid pursuant to loan agreement. Monthly Payment = \$ 5,054.80 Payments End: March 28, 2021 Balloon Pmt: Any outstanding principal and interest as of March 28, 2021. Interest rate: 7.0% Treatment of Lien: Unmodified Payment of \$146.91 shall be made on the Effective Date to cure interest arrears.

1(b)	Allowed Secured Amount = \$24,775.74 (POC 4). Priority: none Principal Owed = \$24,775.74 Prepetition Arrears = \$0.00 Total Claim = \$24,775.74	No	Yes	Claim shall be paid pursuant to original contract. Original monthly payment: \$750.78 Original end date: Dec. 2019 Original interest rate: 5.37% Treatment of Lien: Unmodified
1(c)	Allowed Secured Amount = \$41,627.44 (POC 3). Priority: none Principal Owed = \$41,627.44 Prepetition Arrears = \$0.00 Total Claim = \$41,627.44	No	Yes	Claim shall be paid pursuant to lease agreement. Monthly Payment = \$ 1,165.27 Payments End: December 2019 (63rd month of lease) Interest rate: 6.07% Treatment of Lien: Unmodified

Class #	Description	Impairment	Treatment
3(a)	General Unsecured Class	Impaired	Estimated Total Amount of Claims: \$171,708.02 Estimated Amount Paid: \$19,746.42 Est. Monthly Pmt = \$337.53 Pmts Begin: Month following Effective Date Pmts End: 60 months thereafter Est. Interest Rate from Effective Date = 1% Est. % of Claim Paid = 11.5%

3(b)	Disputed- Settled Unsecured Claim of O'Bannon Development LLC	Impaired	Claimed Amount: \$348,603.10 Estimated Amount Paid: \$65,400.00 <u>95,000.00</u> Est. Monthly Payment: \$1,117.93 <u>1,583.33</u> Pmts Begin: Month <u>First day of the month</u> following Allowance of Claim <u>Effective Date</u> Pmts End: 60 months thereafter Est. Interest Rate from Effective Date = 1 <u>0</u> % Est. % of Claim Paid = 19 <u>27</u> %
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Class #	Description	Impairment	Treatment
4	Equity interest holders	Unimpaired	Holders of Class 4 Equity Interests shall receive no distributions of cash pursuant to the Plan, but upon the Effective Date of the Plan, shall retain their legal interest, including their Equity Interests, in the Debtor.

Equity Interest Holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor and are classified here in Class 4. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company, the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the debtor is the equity interest holder.

In this Chapter 11 Case, the Debtor is a Nevada professional corporation. Upon the Effective Date of the Plan, all equity interests in the Debtor will be retained by the Debtor's equity interest holder, Edward J. Malik.

As set forth herein, Mr. Malik will receive the New Equity Interests in the Debtor in exchange for contributions to the Debtor's estate to fund the Plan and the Debtor's business operations, namely, Mr. Malik will contribute \$15,000 to the Debtor (the "Equity Contribution" or "New Value"). In exchange for the Equity Contribution, Mr. Malik shall receive the New Equity Interests in the Reorganized Debtor.

In order to comply with the Bankruptcy Code and Ninth Circuit Court of Appeal case law, the Equity Contribution must be: (1) new; (2) substantial; (3) money or money's worth; (4) necessary for a successful reorganization; and (5) reasonably equivalent to the value of interest received.

Here, the Equity Contribution satisfies these requirements because the Equity Contribution to be submitted: (1) constitutes new contributions; (2) is substantial is so much as it is necessary to make confirmation feasible; (3) is money or money's worth; (4) is necessary for a successful reorganization; and (5) is equal to or greater than the value to be received.

Importantly, to keep equity in Debtor's business, Edward J. Malik personally shall make the Equity Contribution of \$15,000.00 to help fund payments for this Chapter 11 Plan.

ARTICLE V

ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.1 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.2 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.3 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII:

1. Stearns Bank, N.A. Equip. Finance Div. for the Purchase Money Security loan, x6003.
2. Stearns Bank, N.A. Equip. Finance Div. for the Lease of equipment, x6004.
3. Summerlin Centre, LLC, c/o The Howard Hughes Corporation, One Galleria Tower, 22nd Floor, 13355 Noel Road Dallas, TX 75240 - Lease of commercial

property located at 11035 Lavender Hill Dr. 180 Las Vegas, NV 89135.

The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.1(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan.

ARTICLE VII
MEANS FOR IMPLEMENTATION OF THE PLAN

Payments and distributions under the Plan will be funded by the following:

The proposed monthly payments to Holders of Class 1(a)-1(c), 3(a), and 3(b) claims are estimated as follows, which estimates are subject to change pursuant to the Allowed amount of Claims: Class 1(a) estimated payments to total \$ 5,054.80 per month through March 28, 2021; Class 1(b) estimated payments to total \$750.78 per month through December 2019; Class 1(c) estimated payments to total \$1,165.27 per month through December 2019; Class 3(a) estimated payments to total \$337.53 per month for 60 months (estimated using federal interest rate estimate of 1%); Class 3(b) estimated payments to total ~~\$1,137.93~~ 1,583.33 per month for 60 months from ~~allowance the first day of the month following the Effective Date (estimated using federal interest rate estimate of 1%).~~

Thus, total estimated monthly payments for months 1- 60 following confirmation are estimated as follows:

Month 1 - 2/2019	\$ 8,426.31 <u>8,891.71</u>
1/2020 - 3/2021	\$ 6,510.26 <u>6,975.66</u>
4/2021 - 60th Month	\$ 1,455.46 <u>1,920.68</u>

Debtor projects that it will continue to have sufficient revenue to cover these estimated payments, as shown in its financial records filed with the Disclosure Statement and with its monthly operating reports as well as the information provided in Disclosure Statement **Exhibit G**.

Additionally, Edward J. Malik personally intends to make an equity contribution of \$15,000.00 (the "Equity Contribution") to help fund plan payments.

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider (yes or no)?	Position	Compensation
Edward J. Malik, OD		Yes	President	\$50,000/year

ARTICLE VIII
GENERAL
PROVISIONS

8.1 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

8.2 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.3 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.4 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.5 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.6 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Nevada govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

8.7 Corporate Governance. The articles of organization and bylaws (or other formation documents) of the Reorganized Debtor shall be amended as may be required to be consistent with the provisions of the Plan and the Bankruptcy Code or as otherwise required by, and in a form reasonably acceptable to, the Debtor. On or as soon as reasonably practicable after confirmation of the Plan, the reorganized Debtor shall file a new certificate of organization with the Nevada secretary of state, as required by section 1123(a)(6) of the Bankruptcy Code.

ARTICLE IX

DISCHARGE

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

/s/ Edward J. Malik
The Plan Proponent

/s/Nedda Ghandi
Attorney for the Plan Proponent

Exhibit B - Identity and Value of Material Assets of Debtor**Assets (as of Petition Date)**

a. Cash on hand	\$ 12,587.25
b. Accounts receivable	\$ 17,800.00
c. Inventory	\$ 2,600.00
d. Office furniture & equipment	\$247,000.00
e. Machinery & equipment	\$175,334.00
f. Automobiles	\$ -
g. Building & Land	\$ -
h. Customer list	\$ -
i. Investment property (such as stocks, bonds or other financial assets)	\$ -
j. Lawsuits or other claims against third-parties	\$ -
k. Other intangibles (such as avoiding powers actions)	\$ 40,696.00

Total Assets \$496,017.25

Exhibit C - Prepetition Financial Statements
(filed with the court)

Edward J Malik OD & Associates Chartered
Statement of Assets, Liabilities and Equity
As of June 30, 2016

	Jun 30, 16
ASSETS	
Current Assets	
Checking/Savings	
1030 · NV State Bank 4830	12,957.46
Total Checking/Savings	12,957.46
Other Current Assets	
1200 · Accounts Receivable	15,126.00
1300 · Inventory	1,364.00
1800 · Due to/from - Oculus	8,499.54
1801 · Due to/from - Eyes a Optics	71,161.59
1900 · Deposits	
Howard Hughes	11,628.76
1900 · Deposits - Other	2,897.00
Total 1900 · Deposits	14,525.76
Total Other Current Assets	110,676.89
Total Current Assets	123,634.35
Fixed Assets	
1500 · Automobiles	84,677.25
1510 · Furniture and Fixtures	169,748.07
1520 · Equipment	
1603 · Summerlin - Machinery/Equip/FFE	28,359.00
1520 · Equipment - Other	391,192.18
Total 1520 · Equipment	419,551.18
1530 · Software	13,981.00
1560 · Leasehold Improvements	
1600 · Summerlin - Construction	209,541.00
Total 1560 · Leasehold Improvements	209,541.00
1700 · Accumulated Depreciation	-640,513.69
Total Fixed Assets	256,984.81
TOTAL ASSETS	380,619.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2110 · AMEX - 31003	26,765.92
2130 · B of A 6680	2,362.07
Total Credit Cards	29,127.99
Other Current Liabilities	
Loans from Shareholders	190,625.84
2000 · Accounts Payable	14,631.89
2300 · Sales Tax Payable	3,205.57

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

Edward J Malik OD & Associates Chartered
 Statement of Assets, Liabilities and Equity
 As of June 30, 2016

	Jun 30, 16
Total Other Current Liabilities	208,463.30
Total Current Liabilities	237,591.29
Long Term Liabilities	
2275 · NV State Commercial Loan #9001	236,168.39
2577 · N/P Sterns Bank #003 \$754.87	31,532.76
2578 · N/P Sterns Bank #004 \$1,137.05	48,941.34
Total Long Term Liabilities	316,642.49
Total Liabilities	554,233.78
Equity	
3100 · Adjustment to Sharholder's Equi	-286,697.47
3400 · Common Stock	20,233.00
3500 · Retained Earnings	-21,877.57
3550 · Distributions	
Medical	-175.00
3550 · Distributions - Other	-262,212.06
Total 3550 · Distributions	-262,387.06
Net Income	377,114.48
Total Equity	-173,614.62
TOTAL LIABILITIES & EQUITY	380,619.16

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

Edward J Malik OD & Associates Chartered
Statement of Revenues and Expenses
January through June 2016

	Jan - Jun 16
Ordinary Income/Expense	
Income	
4000 · Professional Services	712,807.98
4500 · Returns & Allowances	-428.41
	712,379.57
Total Income	712,379.57
Cost of Goods Sold	
5000 · Purchases	119,729.77
	119,729.77
Total COGS	119,729.77
Gross Profit	592,649.80
Expense	
6000 · Advertising	10,181.00
6010 · Accounting	
7156 · Payroll Fee	1,400.62
6010 · Accounting - Other	4,858.00
	6,258.62
Total 6010 · Accounting	6,258.62
6100 · Automobile Expense	1,086.34
6200 · Bank Service Charges	395.35
6210 · Credit Card Fees/ Discounts	10,118.11
6251 · Computer & Internet	800.68
6650 · Dues and Subscriptions	515.07
6850 · Insurance	
Workmans Comp	451.70
6855 · Health	-3,286.64
6850 · Insurance - Other	3,871.97
	1,037.03
Total 6850 · Insurance	1,037.03
7050 · Licenses and Permits	650.00
7150 · Office Expense	5,393.10
7155 · Payroll Tax	8,780.11
7160 · Postage & Delivery	3,303.58
7250 · Legal & Professional Fees	3,324.00
7400 · Repairs & Maintenance	1,455.57
7430 · Rent	
Storage	129.95
7430 · Rent - Other	23,830.50
	23,960.45
Total 7430 · Rent	23,960.45
7475 · Security	-1,000.00
7500 · Salaries - General	82,526.39
7510 · Salaries - Officers	25,000.04
7550 · Supplies	2,583.86
7700 · Telephone	929.71
7800 · Travel	1,513.46
7850 · Utilities	2,210.72
	191,023.19
Total Expense	191,023.19

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

Edward J Malik OD & Associates Chartered
Statement of Revenues and Expenses
January through June 2016

	Jan - Jun 16
Net Ordinary Income	401,626.61
Other Income/Expense	
Other Expense	
8999 · Interest Expense	14,292.19
9000 · Suspense	10,219.94
Total Other Expense	24,512.13
Net Other Income	-24,512.13
Net Income	377,114.48

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

Exhibit D - Most Recently Filed Postpetition Operating Report

H 25C (Official Form 25C) (12/08)

E-Filed on: 7/19/17

UNITED STATES BANKRUPTCY COURT

_____ District of Nevada (5)

In re Edward J Malik, O.D. Chartered & Associa,
Debtor

Case No. 16-16872

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: June 2017

Date filed: 12/30/2016

Line of Business: Optometry/Optical Retail

NAISC Code: 621320

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY

Original Signature of Responsible Party

Edward J Malik, President

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYERS ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- | | | |
|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 105,904.56

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 44,557.01

Cash on Hand at End of Month \$ 36,132.64

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 37,132.64

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 141,460.04

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 105,904.56

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 98,460.04

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 7,444.52

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL PAYABLES \$ 33,428.00

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL RECEIVABLES \$ 100,617.02

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?	10
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?	10

PROFESSIONAL FEES***BANKRUPTCY RELATED:***

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ 0.00
TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ 8,707.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$
TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ <u>130,000.00</u>	\$ <u>105,904.56</u>	\$ <u>(24,095.44)</u>
EXPENSES	\$ <u>120,850.00</u>	\$ <u>98,460.04</u>	\$ <u>(22,389.96)</u>
CASH PROFIT	\$ <u>9,150.00</u>	\$ <u>7,444.52</u>	\$ <u>(1,705.48)</u>

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ <u>90,000.00</u>
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ <u>96,150.00</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ <u>(6,150.00)</u>

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

NEVADA STATE BANK
 THE DOOR TO YOUR FUTURE
 P.O. Box 990 · Las Vegas, NV 89125-0990 | www.nsbank.com

Statement of Accounts

Page 1 of 4
 This Statement: June 30, 2017
 Last Statement: May 31, 2017

Primary Account 3676

0015669 2382-06-0000-NSB-PC0021-00000
 EDWARD J MALIK OD CHARTERED AND ASSOCIATES
 EDWARD J MALIK
 DEBTOR IN POSSESSION
 11035 LAVENDER HILL DR STE 180
 LAS VEGAS NV 89135-2957

DIRECT INQUIRIES TO:
 Reddi Response
 24-hour Account Information:
 Las Vegas: 471-5800
 Reno: 337-2811
 1 (800) 462-3555 (outside local areas)
 Loan By Phone
 Las Vegas: 399-Loan (5626)
 Reno: 851-8811
 1 (800) 789-4671 (outside local areas)

SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Business Essentials Checking	3676	\$24,158.76	

BUSINESS ESSENTIALS CHECKING 3676

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
31,228.95	105,904.56	67,228.95	45,747.80	24,158.76
		-43,000.00	-14,868.89	
		-24,226.95	39,878.91	

50 DEPOSITS/CREDITS

Date	Amount	Description
06/01	373.00	EYEMED VISION CA CLAIM 8981443 REF # 017151002542655 1106421007
06/01	1,704.70	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017152003656123 1106401019
06/01	5,077.02	VISION SERVICE P CORP P 9403068064 REF # 017150001314593 1106408481
06/02	7,517.58	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017153004986899 1107001341
06/02	1,576.69	DEPOSIT 7373036011
06/05	1,628.11	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017156006364442 1108301008
06/05	3,693.62	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017156006367453 1108303729
06/05	7,011.48	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017156006364879 1108301369
06/06	229.15	EYEMED INSURANCE CLAIM 8812185 REF # 017156006258147 1106102346
06/06	557.49	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017157007542900 1106101098
06/07	661.95	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017158008378995 1106400824
06/08	17.00	EYEMED VISION CA CLAIM 8990400 REF # 017158008250993 1106603822
06/08	746.04	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017159009250934 1106600850
06/09	4,080.77	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017160010047720 1105900954
06/12	233.00	InstaMed HCCLAIMPMT 042000015175588REF # 017163000549464 1107816245
06/12	791.49	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017163001000872 1107800815
06/12	3,358.63	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017163001001286 1107801181
06/12	8,739.00	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017163001001954 1107801748
06/13	3,044.49	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017164001781636 1106500820
06/14	15.69	EYEMED INSURANCE CLAIM 8218200 REF # 017164001692638 1106409913
06/14	23.00	EYEMED INSURANCE CLAIM 8818034 REF # 017164001692474 1106409903
06/14	196.56	SYNCHRONY BANK BTOT DEP 534812028621903REF # 017165002239560 1106422034
06/14	2,415.33	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017165002571255 1106400926
06/15	329.30	EYEMED VISION CA CLAIM 8999511 REF # 017165002685533 1106114119
06/15	3,511.07	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017166003467061 1106100998
06/16	2,720.09	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017167004292894 1107400950
06/16	2,791.07	VISION SERVICE P CORP P 9403096251 REF # 017165002530721 1107401399
06/19	2,895.72	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017170005287576 1108001894
06/19	7,333.29	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017170005286897 1108001308
06/20	1,219.19	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017171006086090 1106400851
06/21	40.00	EYEMED VISION CA CLAIM 8512717 REF # 017171006043422 1106810769
06/21	1,190.00	EYEMED INSURANCE CLAIM 8824113 REF # 017171006043307 1106810762
06/21	3,714.40	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017172006850997 1106800949
06/22	535.00	EYEMED VISION CA CLAIM 7006122 REF # 017172006778313 1106603914
06/22	1,752.18	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017173007662616 1106600828
06/23	2,126.14	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017174008413008 1106600863
06/26	18.00	FIDELITY SECURIT 786077 REF # 017177008706224 1108011806

Edward J Malik OD Chtd & Associates
Balance Sheet
As of June 30, 2017

	Total
ASSETS	
Current Assets	
Bank Accounts	
Edward J Malik OD (XXXXX 4830)	-580.63
Edward J Malik OD DIP (XXXXX 3676)	19,389.19
Eyes & Optics (XXXXX 4848)	3,615.61
Total Bank Accounts	\$ 22,424.17
Other Current Assets	
Accounts Receivable	372,671.85
Due to/from Oculus	8,392.29
Inventory	125,855.00
Total Other Current Assets	\$ 506,918.94
Total Current Assets	\$ 529,343.11
Fixed Assets	
Accumulated Depreciation	-805,169.70
Automobiles	84,677.25
Signs	9,145.00
Furniture & Fixtures	68,642.28
Equipment	169,748.07
Equipment - Other	391,192.18
Equipment Expense	151,820.18
Leasehold Improvements	1,802.00
Software	13,810.00
Summerlin	28,359.00
Summerlin-Construction	209,541.00
Total Fixed Assets	\$ 323,567.28
Other Assets	
Deposits	2,897.00
Howard Huges	5,814.38
Total Other Assets	\$ 8,711.38
TOTAL ASSETS	\$ 881,821.75

Edward J Malik OD Chtd & Associates
Balance Sheet
As of June 30, 2017

	Total
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
AMEX-31003	40,784.21
B of A	3,809.21
Chase	17,478.19
Total Credit Cards	\$ 62,071.61
Other Current Liabilities	
2300 Sales Tax Payable	5,188.16
Due to Bankruptcy Attorney	0.00
Uncleared Checks	0.00
Accounts Payable	33,428.00
Total Other Current Liabilities	\$ 38,616.16
Total Current Liabilities	\$ 100,687.77
Long-Term Liabilities	
Loans from Shareholders	253,146.53
N/P Sterns Bank #003	23,244.83
N/P Sterns Bank #004	34,586.53
N/P Sterns Bank #006	51,668.22
NV State Commerical Loan #9001	185,929.16
Plaza Bank LOC	-648.77
NSB Credit Line Loan 0666	52,000.00
Total Long-Term Liabilities	\$ 599,926.50
Total Liabilities	\$ 700,614.27
Equity	
Adjustment to Shareholder's Equity	-286,697.47
Common Stock	20,433.00
Distributions	-286,907.85
Medical	-809.00
Total Distributions	-\$ 287,716.85
Opening Balance Equity	0.00
Retained Earnings	563,153.79
Net Income	151,835.01
Total Equity	\$ 161,007.48
TOTAL LIABILITIES AND EQUITY	\$ 861,621.75



Statement of Accounts

Page 1 of 4
 This Statement: June 30, 2017
 Last Statement: May 31, 2017

Primary Account 3676

0015669 2382-06-0000-NSB-PC0021-00000
 EDWARD J MALIK OD CHARTERED AND ASSOCIATES
 EDWARD J MALIK
 DEBTOR IN POSSESSION
 11035 LAVENDER HILL DR STE 180
 LAS VEGAS NV 89135-2957

DIRECT INQUIRIES TO:
 Reddi Response
 24-hour Account Information:
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BUSINESS ESSENTIALS CHECKING 3676

105 0

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06/05	1,628.11	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017156006364442 1108301008
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06/09	4,080.77	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017160010047720 1105900954
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06/12	8,739.00	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017163001001954 1107801748
06/13	3,044.49	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017164001781636 1106500820
06/14	15.69	EYEMED INSURANCE CLAIM 8218200 REF # 017164001692638 1106409913
06/14	23.00	EYEMED INSURANCE CLAIM 8818034 REF # 017164001692474 1106409603
06/14	196.56	SYNCHRONY BANK BTOT DEP 534812028621903REF # 017165002239560 1106422034
06/14	2,415.33	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017165002571255 1106400926
06/15	329.30	EYEMED VISION CA CLAIM 8999511 REF # 017165002685533 1106114119
06/15	3,511.07	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017166003467061 1106100998
06/16	2,720.09	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017167004292894 1107400950
06/16	2,791.07	VISION SERVICE P CORP P 9403096251 REF # 017165002530721 1107401399
06/19	2,895.72	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017170005287576 1108001894
06/19	7,333.29	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017170005286897 1108001308
06/20	1,219.19	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017171006086090 1106400851
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06/21	1,190.00	EYEMED INSURANCE CLAIM 8824113 REF # 017171006043307 1106810762
06/21	3,714.40	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017172006850997 1106800949
06/22	535.00	EYEMED VISION CA CLAIM 7006122 REF # 017172006778313 1106603914
06/22	1,752.18	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017173007662616 1106600828
06/23	2,126.14	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017174008413008 1106600863
06/26	18.00	FIDELITY SECURIT 786077 REF # 017177008706224 1108011806

NEVADA STATE BANK

THE DOOR TO YOUR FUTURE



Page 3 of 4
 June 30, 2017
 EDWARD J MALIK OD CHARTERED AND
 3676

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Continued ...

Date	Amount	Description
06/26	127.53	SYNCHRONY BANK BTOT DEP 534812028621903REF # 017177009075526 1108033089
06/26	375.06	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017177009402454 1108000764
06/26	3,026.02	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017177009403526 1108001684
06/26	4,774.24	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017177009402874 1108001128
06/27	6.85	EYEMED INSURANCE CLAIM 8830234 REF # 017177009347367 1106605439
06/28	35.00	EYEMED INSURANCE CLAIM 8223502 REF # 017178010127623 1106310304
06/28	40.00	EYEMED VISION CA CLAIM 8517544 REF # 017178010127551 1106310297
06/28	201.15	COMBINED AMERICA CLAIM 8562318 REF # 017178010127716 1106310308
06/28	352.73	SYNCHRONY BANK BTOT DEP 534812028621903REF # 017179000615803 1106323377
06/28	4,351.84	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017179000974890 1106300869
06/28	3,912.90	DEPOSIT 7373015420
06/29	400.00	EYEMED VISION CA CLAIM 7015357 REF # 017179000903179 1106904254
06/30	4,434.00	MERCHANT BNKCD DEPOSIT 349200833888 REF # 017181003016628 1106100959

32 CHARGES/DEBITS

Date	Amount	Description
06/01	97.20	U. P. S. UPS BILL 171470000X084X7REF # 017151002510422 1106423029
06/02	77.49	ADP PAYROLL FEES ADP - 2RNC8 5222330REF # 017152003599706 1107022750
06/02	423.92	ORBIS SOLUTIONS SALE REF # 017163004547876 1107048465
06/05	5,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000004520 2308603353
06/05	352.21	NV ENERGY SOUTH NPC PYM 03153372291548REF # 017156005652161 1108312887
06/05	2,500.00	ABB Concise Opti E-CHEC ABBCor060217131REF # 017156005608030 1108321007
06/05	1,958.68	MERCHANT BNKCD DISCOUNT 349200833888 REF # 017156006366942 1108303280
06/06	426.50	IMANAGED SOLUTIO 714968 M60175828512 REF # 017156006545033 1106109261
06/08	35.17	U. P. S. UPS BILL 171540000X084X7REF # 017158008279475 1106604403
06/08	817.85	PREMIER ACCESS PREMILUMR *****76 REF # 017158008846335 1106813873
06/09	75.60	ADP PAYROLL FEES ADP - 2RNC8 6052008REF # 017156009203258 1105912704
06/12	5,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000007101 2307707163
06/12	60.00	ZEM_MEDIA ACH ITEMS 100038 REF # 017160009960112 1107805663
06/12	2,500.00	ABB Concise Opti E-CHEC ABBCor060917113REF # 017163000343400 1107828562
06/13	10,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000005301 2306702105
06/13	1,849.05	ADP Tax ADP Tax RQNC8 061312A01REF # 017163001350404 1106514936
06/14	5,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000009789 2306803953
06/15	4,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000003736 2306203497
06/15	780.13	STEARNS LEASING PAYMENT 001-1247238-003REF # 017165002686089 1106115166
06/15	1,343.05	STEARNS LEASING PAYMENT 001-1247238-004REF # 017165002686090 1106115167
06/19	2,500.00	ABB Concise Opti E-CHEC ABBCor081617120REF # 017170004942131 1108029658
06/19	40.71	NV RETAIL NTRK 8005893177 REF # 017170004653458 1108032502
06/20	5,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000005764 2306701909
06/20	385.85	PROTECTIONONE PAYMENT *****6 REF # 017170005705482 1106418587
06/21	22.05	MONTHLY ANALYSIS SERVICE CHR
06/23	75.60	ADP PAYROLL FEES ADP - 2RNC8 7080803REF # 017173007581856 1106612647
06/23	750.00	RHINEHART & ASSO SALE REF # 017174008072521 1106631180
06/26	5,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000001941 2306807529
06/26	2,500.00	ABB Concise Opti E-CHEC ABBCor062317113REF # 017177009009676 1108022151
06/27	1,759.72	ADP Tax ADP Tax RQNC8 062713A01REF # 017177009650409 1106616103
06/28	2,916.17	63376 C & E VISI ACH DEP REF # 017179000612405 1106329740
06/29	4,000.00	ONLINE XFER TO DDA EYE & OPTICS ID: 000005328 2307202579

20 CHECKS PROCESSED

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
1053	06/05	3,898.41	1062	06/12	2,000.00	11026	06/19	1,620.00
1055*	06/06	21.00	1063	06/28	4,000.00	11027	06/14	2,229.58
1058	06/05	8,114.12	1065*	06/19	5,000.00	11028	06/27	1,056.79
1057	06/02	4,800.35	1067*	06/14	77.93	11029	06/28	1,160.33
1058	06/02	4,000.00	11022*	06/02	1,620.01	11030	06/28	1,620.01
1060*	06/16	234.95	11024*	06/13	1,089.76	11031	06/28	1,977.04
1061	06/19	139.00	11025	06/13	1,088.52			

* Not in check sequence

Page 4 of 4
 June 30, 2017
 EDWARD J MALIK OD CHARTERED AND
 3678
 NEVADA STATE BANK

.....
AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

	<i>Total for This Period</i>	<i>Total Year-to-Date</i>
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

.....
DAILY BALANCES

<i>Date</i>	<i>Balance</i>	<i>Date</i>	<i>Balance</i>	<i>Date</i>	<i>Balance</i>
06/01	38,286.47	06/13	24,484.32	06/22	28,792.96
06/02	36,458.97	06/14	19,807.39	06/23	28,083.50
06/05	26,968.76	06/15	17,524.58	06/26	28,914.35
06/06	27,307.90	06/16	22,800.79	06/27	26,104.69
06/07	27,969.85	06/19	23,730.09	06/28	23,324.76
06/08	27,879.87	06/20	19,583.43	06/29	19,724.76
06/09	31,885.04	06/21	24,505.78	06/30	24,158.76
06/12	35,447.16				

Exhibit E – Liquidation Analysis***Plan Proponent's Estimated Liquidation Value of Assets*****Assets (as of Petition Date)**

a. Cash on hand	\$ 12,587.25
b. Accounts receivable	\$ 17,800.00
c. Inventory	\$ 2,600.00
d. Office furniture & equipment	\$247,000.00
e. Machinery & equipment	\$175,334.00
f. Automobiles	\$ -
g. Building & Land	\$ -
h. Customer list	\$ -
i. Investment property (such as stocks, bonds or other financial assets)	\$ -
j. Lawsuits or other claims against third-parties	\$ -
k. Other intangibles (such as avoiding powers actions)	\$ 40,696.00

Total Assets at Liquidation Value \$496,017.25

Less:

Secured creditors' recoveries \$ (281,035.88)

Less:

Security interest in business held by Nevada State Bank \$ (52,135.20)

Less:

Chapter 7 trustee fees and expenses \$ (49,601.73)

Less:

Chapter 11 administrative expenses \$ (55,375.00)

Less:

Priority claims, excluding administrative expense claims \$ (100.00)

(1) Balance for unsecured claims \$ 57,769.45

(2) Total dollar amount of unsecured claims (estimated) \$ 520,311.12

Percentage of Claims Which Unsecured Creditors Would Receive Or Retain in a Chapter 7 Liquidation: 11.1%

Percentage of Claims Which Unsecured Creditors Will Receive or Retain under the Plan: 11.5- ~~1927~~%

Exhibit F – Cash on hand on the effective date of the Plan

Cash on hand on effective date of the Plan:	\$ 37,132.64	As of 6/30/17
Less		
Amount of administrative expenses payable on effective date of Plan	\$ (5,375.00)	
Amount of statutory costs and charges	\$ -	
Amount of cure payments for executory contracts	\$ -	
Other Plan Payments due on effective date	\$ (100.00)	
Balance after paying these amounts	\$ 31,657.64	

The sources of the cash Debtor will have on hand by the effective date of the Plan are estimated as follows

Cash in Debtor's bank account now	\$ 37,132.64	As of 6/30/17
-----------------------------------	--------------	---------------

Exhibit G - Projections of Cash Flow and Earnings for Post-Confirmation Period

Edward J Malik OD Chtd and Associates		Case #	Edward J Malik OD Chtd and Associates												Case #	Edward J Malik OD Chtd and Associates				Case #			
CASH RECEIPTS FROM ALL SOURCES AND CASH DISBURSEMENTS FOR 4TH QUARTER 2016			SIX MONTH PROJECTED CASH RECEIPTS FROM ALL SOURCES AND CASH DISBURSEMENTS												ACTUAL CASH RECEIPTS AND CASH DISBURSEMENTS 2017								
BEGINNING CASH BALANCE	12312.28		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	BEGINNING CASH BALANCE	JAN	FEB	MAR	APR		
Cash Receipts:																	Cash Receipts:						
Deposits from sales and receivables	310285		103000	110000	125000	118000	106000	130000	90000	115000	89000	98000	105000	106000	106000	90000	Deposits from sales and receivables	119246.4					
Return of security deposit	5814																Refunds/returns/allowances	381.56					
Borrowing	0																Borrowing	0					
Total Cash Receipts	316099		103000	110000	125000	118000	106000	130000	90000	115000	89000	98000	105000	106000	106000	90000	Total Cash Receipts	118864.8					
Cash Disbursements																	Cash Disbursements						
Payments to Vendors	42891		14000	18000	26000	24000	25000	26000	11000	18000	14000	16000	14000	16000	14000	12000	Payments to Vendors	24272.55					
Administrative Expenses	20495		7500	8000	8000	7500	7500	7500	7000	6500	4500	5000	6800	6800	7000	7000	Administrative Expenses	2365.81					
Payments on Secured Debt	22749		7900	7900	7900	7900	7900	7900	7900	7900	7900	7900	7900	7900	7900	7900	Payments on Secured Debt	3069.16					
Rent/Lease Payments	15676		8900	8900	8900	8900	8900	8900	8900	8900	8900	8900	8900	8900	8900	8900	Rent/Lease Payments	8519.81					
Pmts to Officer	46500		17000	17000	17000	17000	17000	17000	13000	13000	14000	13000	13000	12000	13000	10000	Pmts to Officer	15000					
Salaries/Commissions		25															Salaries/Commissions						
Staff	63868		22000	22000	22000	22000	22000	22000	23000	23000	23500	23500	23500	23500	23500	23500	Staff	22397.22					
Officer	4858		4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	Officer	6476.93					
Health Insurance staff	12762		4200	4200	4200	4200	4200	7800	4400	4400	4620	4620	4620	4620	4620	4620	Health Insurance staff	3536.16					
Health insurance officer	4200		1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	Health insurance officer	3000					
Tax Payments																	Tax Payments						
Payroll Taxes	28235		9700	9700	9700	9700	9700	9700	9700	9700	9900	9900	9900	9900	9900	9900	Payroll Taxes	9251.12					
Sales Tax	7757		2300	2600	2800	3200	3000	3500	3450	4500	3795	2937	3234	3465	3498	3498	Sales Tax	4499.34					
Real Property Tax																	Real Property Tax						
Other Tax																	Other Tax						
Payments to Professionals	15989		2000	3000	2000	5000	2000	1500	1500	1500	2300	2300	2300	2300	2300	2300	Payments to Professionals	1895					
Pmt of United States Trustee Fees					4875			4875				4875					Pmt of United States Trustee Fees						
Pmt to unsecured credit cards	24947																Pmt to unsecured credit cards	524.27					
Total Cash Disbursements	310927		101800	107600	119675	115700	113500	122975	96150	103700	99715	105232	100454	101685	100918	95918	Total Cash Disbursements	104807.4					
Net Increase/Decrease in Cash	5172	Toward reserves/tax est.	1200	2400	5325	2300	-7500	7025	-6150	11300	-10715	-7232	4546	4315	5082	-5918	Net Increase/Decrease in Cash	14057.11					
ENDING CASH BALANCE	17798.08		18998	21388	26691	28991	21491	51525	45375	56675	45960	38728	43274	47589	52671	46753	ENDING CASH BALANCE	31855.19					
			Does not include Federal Income Tax														Edward J Malik OD Chtd and Associates					Case #	BK-16-16872-abl

Exhibit H – Estimated Amounts of Class 3(a) Unsecured Claims

Claimant	Description	Scheduled Amount	POC Amount	ESTIMATED AMOUNT FOR PLAN
American Express	Credit Card x1003	\$ 25,879.79	none	\$ 25,879.79
American Express	Credit Card x2001	none	\$ 43,594.64	\$ 43,594.64
Bank of America	Credit Card x6680	\$ 3,449.19	none	\$ 3,449.19
Bank of America	Credit Card x5220	zero	none	zero
Bank of America	Credit Card x5154	\$ 29,084.90	none	\$ 29,084.90
Chase	Credit Card x4206	\$ 16,653.70	none	\$ 16,653.70
Citibusiness Card	Credit Card x3048	\$ 30,768.69	none	\$ 36,501.80
Discover Financial Svcs.	Credit Card x3469	\$ 16,544.00	none	\$ 16,544.00
Synchrony Bank	Credit Card x5410	none	\$ 7,692.49	zero
Kingdom Eyewear	Fees x3599	none	None	\$ 964.33
			ESTIMATE:	<u>\$171,708.02</u>