

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**ALL SAINTS CARE INJURY &
REHABILITATION CLINIC INC.,**

Debtor.

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**CASE NO. 17-30481-bjh
Chapter 11**

**FIRST AMENDED DISCLOSURE STATEMENT
DATED JULY 14, 2017**

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ARTICLE I

INTRODUCTION

Identity of the Debtor

1.1 Debtor filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq. ("Code") on February 6, 2017 in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division ("Court"), initiating the above-styled and referenced bankruptcy proceeding. The Debtor is operating its business as a Debtor-in-Possession pursuant to Sections 1107 and 1108 of the Code.

Purpose of This Disclosure; Source of Information

1.2 Debtor submits this Disclosure pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of, and the Members of, Debtor in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor's Plan. A copy of the Plan is attached hereto as Exhibit "A" and incorporated herein by this reference. The Plan sets forth in detail the repayment arrangement between the Debtor and its creditors. This Disclosure describes the operations of the Debtor contemplated under the Plan. Any accounting information contained herein has been provided by the Debtor and has been prepared using the cash method of accounting.

Explanation of Chapter 11

1.3 Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. After a plan of reorganization has been filed, it must be accepted by holders of claims against, or interests in, the debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

1.4 Even if all Classes of Claims accept the plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants and Equity Interest Holders may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the Code.

1.5 Acceptance of the plan by the Creditors and Equity Interest Holders is important. In order for the plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims actually voting

on the plan in such class must vote for the plan and the equity interest holders that hold at least two-thirds (2/3) in amount of the allowed interests actually voting on the plan in such class must vote for the plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the debtor vote in favor of the plan in order for it to be confirmed by the Court. The plan, however, must be accepted by: (i) at least the holder of one (1) class of claims by a majority in number and two-thirds (2/3) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds (2/3) in amount of the allowed interests of such class actually voting.

1.6 The Court may confirm the plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

1.7 Confirmation of the plan discharges the debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the plan and Section 1141(d) of the Code. Confirmation makes the plan binding upon the debtor and all claimants, equity interest holders and other parties-in-interest, regardless of whether they have accepted the plan.

Voting Procedures

1.8 Unimpaired Class. Claimants in Class 1 and Class 8 are not impaired under the Plan. Such Classes, therefore, are deemed to have accepted the Plan.

1.9 Impaired Classes. The remaining Classes Claimants, 2, 3, 4, 5, 6, and 7 are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in all of the impaired classes. Each holder of an Allowed Claim in the impaired Classes may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below. One ballot will be sent to each Claimant eligible to vote on the Plan. For all Classes, the ballot must be returned to Debtor's attorney, Joyce Lindauer, Attorney at Law, 12720 Hillcrest Road, Suite 625, Dallas, TX 75230. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

1.10 Acceptances. Ballots that are signed and returned but fail to indicate either an acceptance or rejection will not be counted.

Best Interests of Creditors Test

1.11 Section 1129(a)(7) of the Code requires that each impaired class of claims or interests accept the Plan or receive or retain under the Plan on account of such claim or interest, property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan, on account of such claim, property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the Plan to be confirmed, the Court must determine that the Plan is in the best interests of the Debtor's creditors. Accordingly,

the proposed plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. As the analysis in Article IV below shows, Debtor believes that the creditors are receiving more than they would receive in a Chapter 7 liquidation. Accordingly, the Plan satisfies the requirements of Section 1129(a)(7).

Cramdown

1.12 The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code. Accordingly, Debtor, as the plan proponent, requests the Court to determine that the Plan does not discriminate unfairly, and is fair and equitable with respect to any objecting creditor. A discussion of the specific requirements for Cramdown of a Plan are set forth below.

Definition of Impairment

1.13 As set forth in section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a plan of reorganization unless, with respect to each claim or equity interest of such class, the plan:

- (1) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or
- (2) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or equity interest to demand or receive accelerated payment of such claim or equity interest after the occurrence of a default:
 - (A) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365 (b)(2) expressly does not require to be cured;
 - (B) reinstates the maturity of such claim or interest as it existed before such default;
 - (C) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and
 - (D) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365 (b)(1)(A) of the Bankruptcy Code, compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and
 - (E) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Classification and Treatment of Claims and Interests

1.14 The Plan classifies Claims separately in accordance with the Bankruptcy Code and provides different treatment for different classes of Claims.

1.15 Only holders of Allowed Claims are entitled to receive distributions under the Plan. Allowed Claims are Claims that are not in dispute, are not contingent, are liquidated in amount, and are not subject to objection or estimation. Initial distributions or other transfers of Cash or other consideration specified in the Plan otherwise available to the holders of Allowed Claims will be made on (a) the Effective Date, or (b) the date on which such Claim becomes an Allowed Claim, as otherwise provided in the Plan, or as may be ordered by the Bankruptcy Court.

1.16 In accordance with the Plan, unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim under the Plan will be in full satisfaction, settlement, release, and discharge of and in exchange for each and every Claim.

Requirements for Confirmation of the Plan

1.17 At the confirmation hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

- (1) The plan complies with the applicable provisions of the Bankruptcy Code.
- (2) The proponents of the plan comply with the applicable provisions of the Bankruptcy Code.
- (3) The plan has been proposed in good faith and not by any means forbidden by law.
- (4) Any payment made or promised by the Debtor, by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.
- (5) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the Debtor, or a successor to the Debtor under the plan; and the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and
- (6) The proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.
- (7) Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the Debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

- (8) With respect to each impaired class of claims or interests:
- (A) each holder of a claim or interest of such class
 - (i) has accepted the plan or
 - (ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or
 - (B) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.
- (9) With respect to each class of claims or interests:
- (A) such class has accepted the plan; or
 - (B) such class is not impaired under the plan.
- (10) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:
- (A) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;
 - (B) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive—
 - (i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
 - (ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim;
 - (C) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash—
 - (i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;
 - (ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303 of the Bankruptcy Code; and
 - (iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122 (b) of the Bankruptcy Code); and
 - (D) with respect to a secured claim which would otherwise meet the description of an

unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in the previous subparagraph.

(11) If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

(12) 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 under the plan, unless such liquidation or reorganization is proposed in the plan.

(13) All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

(14) The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

(15) If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

The Debtor believes that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtor has complied with or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Equity Interests would receive distributions under the Plan greater than or equal to what they would receive in a liquidation under chapter 7.

The Debtor believes that the feasibility requirement for confirmation of the Plan is satisfied by the fact that the future revenues and contributions will be sufficient to satisfy the obligations under the Plan. Additionally, the Plan contemplates the ultimate sale or refinance of the property. These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

Cramdown

1.18 The bankruptcy court may confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not “discriminate unfairly” and that the plan is “fair and equitable” with respect to each impaired class of claims or interests that has not accepted

the plan.

1.19 “Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

With respect to a class of **secured claims**, the plan provides:

(1) that

(A) the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(B) each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder’s interest in the estate’s interest in such property;

(2) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (i) and (iii) of this subparagraph; or

(3) the realization by such holders of the “indubitable equivalent” of such claims.

With respect to a class of **unsecured claims**, the plan provides:

(1) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(2) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 subject to the requirements that (a) the value, as of effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or (b) the value of property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

With respect to a class of **interests**, the plan provides:

(1) that each holder of an interest of such class receive or retain on account of such

interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(2) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

1.20 In the event that one or more classes of impaired Claims reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired class of Claims. The absolute priority rule requires that prior to the Debtor retaining or receiving any non-exempt property the senior classes of claims must be paid in full or vote to accept the Plan. This Plan is an approximately 28% return to creditors with Allowed Unsecured Claims.

The Debtor believes the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired class of Claims.

ARTICLE II

REPRESENTATIONS

2.1 This Disclosure is provided pursuant to Section 1125 of the Code to all of the Debtor's known Creditors and other parties in interest in connection with the solicitation of acceptance of its Plan of reorganization, as amended or modified. The purpose of this Disclosure is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan.

2.2 The information contained in this Disclosure has been derived from information submitted by the Debtor, unless specifically stated to be from other sources.

2.3 No representations concerning the Debtor are authorized by the Debtor other than those set forth in this Disclosure. The Debtor recommends that any representation or inducement made to secure your acceptance or rejection of the Plan which is not contained in this Disclosure should not be relied upon by you in reaching your decision on how to vote on the Plan. Any representation or inducement made to you not contained herein should be reported to the attorneys for Debtor who shall deliver such information to the Court for such action as may be appropriate.

2.4 ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IN ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL

OFFENSE.

2.5 THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

2.6 THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

2.7 DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN.

ARTICLE III

FINANCIAL PICTURE OF THE DEBTOR

Financial History and Background of the Debtor

The Debtor is a healthcare and rehabilitation clinic that also operates as the landlord of a commercial building with tenants. Prior to filing the case the Debtor became unable to meet its debt liabilities since it had experienced a decrease in revenue from loss of tenants and decreased revenue from the healthcare clinic.

The Debtor has been in bankruptcy for just over 5 months.

Future Income and Expenses Under the Plan

The Debtor's plan payments chart and projections are set forth on **Exhibit "B"** attached hereto and incorporated herein by this reference as if set forth in full for all purposes. Money to fund the Plan will come from the Debtor's continued business operations which is the healthcare and rehabilitation clinic, as well as operating as a commercial landlord. The projections spreadsheet attached to the Disclosure Statement as **Exhibit B** will include the average monthly income figure for the Debtor.

Future Management of the Debtor

The Plan contemplates the continued management and operation of the Debtor's business by the current Director, Jackson Ehioauh. Debtor will keep current its payments for post-petition payables.

ARTICLE IV

ANALYSIS AND VALUATION OF PROPERTY

Real Property

4.1 The Debtor owns the real property described below. Principal of the Debtor will testify that the real property which secures such claims equals or exceeds the amount of such secured claims. The amount of the secured claims is derived from the Debtor's schedules in the above-captioned case and comprises the claims of the secured creditor J.P. Morgan Chase Bank and the ad valorem tax liens. The inclusion of these claims here in this analysis does not constitute an admission by Debtor as either the existence or amount of the claims of either of these parties.

Property Address	Value	Amount of Secured Claims	Equity
606 Oriole Blvd. Duncanville, TX 75116	\$750,000.00	\$676,785.41	\$73,214.59

Personal Property

4.2 Debtor owns the following personal property described as follows:

Property	Value
Checking, Savings, or other Financial Accounts	\$290.85
Accounts Receivable (90 days old or less)	\$10,000.00
Accounts Receivable (Over 90 days old)	\$80,000.00
Equipment, including physical therapy equipment	\$16,210.00
Office Equipment	\$55,000.00
Internet Domain: www.ascirc.com	\$5.00*

The total value as of the date of Petition Filing of Debtor's tangible personal property, including the office equipment and physical therapy equipment is approximately: \$161,500.00, but \$80,000.00 in Over 90 Days Old accounts receivables are most likely uncollectable, leaving an approximate total of \$81,500.00. Some of those older account receivable are not collectible but are still on the books of the Debtor.

The Debtor has prepared this Analysis based only on its opinion of the value of these assets.

* Tied to goodwill of Debtor and the Debtor's bankruptcy has lowered the potential value of this domain, if any, that it had prior to the bankruptcy.

Liquidation Value of Assets

The Debtor believes and the Plan is based upon the conclusion that the Debtor's property is worth more than what is owed to the creditors. As detailed above, Debtor has equity in its real estate assets. Further, in a Chapter 7 the full value of the property would not be achieved, and assuming a distressed liquidation sale, a discount in the sale price of the real estate of at least 25% must be assumed. Further, professionals and closing costs would be associated with any liquidation sale, which would further reduce the recovery. Based on the estimated value of Debtor's personal property assets, the creditors would be satisfied in part by the value received as a result of the liquidation of Debtor's personal property assets. What the actual recovery in Chapter 7 would be is speculative but would be less than what the Plan is paying at approximately a 28% return.

Real Property	\$750,000.000
Sales Costs 6%	-\$45,000.00
Fire Sale Discount 10%	-\$75,000.00
Subtotal	\$630,000.00
Personal Property Discounted at 60%	\$32,600.00
TOTAL	\$662,600.00
Secured Debt	\$676,785.41
Priority Debt	\$1,350.00
Administrative Claims	\$10,000.00
Net Funds available to pay Unsecured Debt	(25,535.41)

Based on the above liquidation analysis, there would be no funds available to pay Unsecureds in a Chapter 7 liquidation scenario. The Plan contemplates paying Unsecured Debt a total of \$15,000.00 over the life of the Plan, which results in no violation of the absolute priority rule.

The major source of funding for the Plan will come from the ongoing business operations and ongoing rent from other tenants in the Commercial Property. Owner contribution for the first year will be between \$900.00 and \$1,000.00 per month for the first year. The Disclosure Statement and Plan contemplate increases in rental rates for tenants as well as tenant occupancy over time.

ARTICLE V

SUMMARY OF THE PLAN

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

The Debtor designate the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. The Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor are otherwise released from such obligations by the Court.

The Claims and Interests classified herein shall be treated in the manner set forth in this Article V.

Administrative Expenses and Priority Tax Claims of the kinds specified in §§ 507(a)(1), 502(i) and 507(a)(8) of the Bankruptcy Code are excluded from the Debtor's respective classes below in accordance with § 1123(a)(1) and are not separately classified. Such expenses and claims shall be treated as specified in this Article.

Treatment of Allowed Administrative Expenses

Allowed Administrative Expenses will be paid in full once Allowed, on or before the Effective Date, or at a later date as set by the Court if the allowance process extends beyond the Effective Date. Provided, however, that the holder of an Allowed Administrative Expense may agree to a different treatment.

Treatment of Allowed Priority Claims

Allowed Priority Claims will be paid by the Reorganized Debtor once Allowed over five (5) years with interest on such amounts at the rate of 12% per annum until paid in full. The payments shall be made in equal monthly payments on the first day of the month following the Effective Date and shall continue on the first day of each month thereafter until paid in full.

Title 28 U.S.C. Section 1930 Fees

Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor are otherwise released from such obligations by the Court.

Class 1 consists of any Allowed Administrative Claims.

Class 2 consists of the Allowed Secured Claims of the Taxing Authorities

Class 2a consists of the Allowed Ad Valorem Tax Claim of FNA DZ, LLC

Class 3 consists of the Allowed Priority Claim of the Internal Revenue Service

Class 4 consists of any Allowed Priority Claims of Commercial Tenants

Class 5 consists of the Allowed Priority Claim of the Texas Workforce Commission.

Class 6 consists of the Allowed Secured of J.P. Morgan Chase Bank.

Class 7 consists of the Allowed General Unsecured Claims.

Class 8 consists of Equity Interests.

PROVISIONS FOR SATISFACTION OF CLAIMS AND INTERESTS

The Claims and Interests classified in Article V hereof shall be treated in the manner set forth below:

Class 1: Allowed Administrative Claims. The Class 1 Claims are estimated to be \$10,000.00. The Allowed amount of Class 1 Claims will be paid once Allowed in full by All Saints. These claims are administrative claims pursuant to Section 507(a)(1) of the Bankruptcy Code. These claims include claims for All Saints' attorney's fees and U.S. Trustee's fees. U.S. Trustee's fees must be paid until the case is closed. All Saints must file quarterly reports following confirmation and until the case is closed. The Class 1 Claims may agree to a different treatment which will be set forth in writing.

The Administrative Claims bar date is being set at thirty (30) days from the Effective Date of the Plan. The Professional Fee bar date is being set at thirty (30) days from the Effective Date. The rejection of claims bar date is the earlier of (a) thirty (30) days from the Effective Date or (b) such other deadline as the Court may set for asserting a Claim for such damages.

The administrative claims are projected to be paid under the Plan as follows: \$2,500.00 the first month and \$1,500.00 per month for the next five (5) months.

Class 1 Claims are not Impaired and the holders of Class 1 Claims are not entitled to vote to accept or reject the Plan.

Class 2: Allowed Secured Claims of Ad Valorem Taxing Authorities

Class 2 shall consist of the Allowed Secured Claims of Ad Valorem Taxing Authorities on the Debtor's real and personal property which accrued on or prior to January 1, 2016 (the "**Class 2 Claims**") in the estimated approximate amount of \$117,000.00.

- a. The Class 2 Claims will be paid once Allowed over 60 months from the Confirmation Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2 Claims shall be paid interest from the Petition Date at the rate of 1% per month from the Petition Date through the Effective Date of the Plan and 12% per annum following the Effective Date until paid in full.

- b. In the event that the Debtor dispute such claims, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed.
- c. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 2 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 2 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default.
- d. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The 2017 taxes shall be paid when due.
- e. Class 2 Claims are Impaired by the Plan. The holders of Class 2 Claims are entitled to vote to accept or reject the Plan.

Class 2a: Allowed Ad Valorem Tax Claim of FNA DZ, LLC

Class 2a shall consist of the Allowed Ad Valorem Tax Claim of FNA DZ, LLC on the Debtor's real and personal property which accrued on or prior to January 1, 2016 (the "Class 2 Claims") in the amount of \$36,417.01.

- f. The Class 2a Claim will be paid once Allowed over 60 months from the Confirmation Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2a Claim shall be paid interest from the Petition Date at the rate of 1% per month from the Petition Date through the Effective Date of the Plan and 12.9% per annum following the Effective Date until paid in full.
- g. In the event that the Debtor dispute such claims, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed.
- h. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 2a Claimants shall

be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 2a Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default.

- i. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2a Claim shall not be primed by any post-petition financing of the Debtor. The 2017 property taxes shall be paid when due.
- j. Class 2a Claims are Impaired by the Plan. The holders of Class 2a Claims are entitled to vote to accept or reject the Plan.

Class 3: Allowed Priority Unsecured Claim of the Internal Revenue Service

Class 3 shall consist of the Allowed Priority Unsecured Claim of the Internal Revenue Service in the estimated amount of \$700.00.

- a. The Class 3 Claim shall be paid in full over 12 months from the Effective Date at an interest rate of 4.25% per annum. Payments shall commence on the first day of the month following the Effective Date and continue on the first day of each month thereafter until paid in full.
- b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:
 1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS's claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:
 - (A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtor or their successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.

- (B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.
 - (C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: Internal Revenue Service, Attn: Deborah Thomas, 1100 Commerce Street, M/S MC5027DAL, Dallas, TX 75242.
 - (D) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.
- c. The Class 3 Claim is Impaired and the holder of the Class 3 Claim is entitled to vote to accept or reject the Plan.

Class 4: Allowed Priority Claims of Commercial Tenants.

Class 4 shall consist of the Allowed Priority Claims of Commercial Tenants in the estimated amount of \$650.00 . These claims are security deposits of commercial property tenants held by All Saints to Section 507(a)(7) of the Bankruptcy Code.

- a. Class 4 claims shall be paid fully at \$130.00 per month for the first five (5) months. The first payment is due on the first day of the first month following the Effective Date and all subsequent payments shall continue on the first day of each month thereafter until the allowed amount of the claim is paid in full.
- b. There shall be no prepayment penalty if this Claim is paid early.
- c. The Class 4 Claims may agree to a different treatment which will be set forth in writing.
- d. Should this Section of the Plan for treatment of Class 4 Claims contradict any other provision in the Plan, the provisions of this Section shall control

- e. The Class 4 Claims are Impaired and the holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

Class 5: Allowed Priority Claim of the Texas Workforce Commission

Class 5 shall consist of the Allowed Priority Claim of the Texas Workforce Commission in the estimated amount of \$2,575.35.

- a. The Class 5 Claim of the Texas Workforce Commission shall be paid in full over 24 months from the Effective Date at an interest rate of 18% per annum. Payments shall commence on the first day of the month following the Effective Date and continue on the first day of each month thereafter until paid in full.
- b. Events of Default. A failure by the reorganized Debtor to make a payment to the Texas Workforce Commission pursuant to the terms of the Plan shall be an Event of Default. If the reorganized Debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the Texas Workforce Commission, then the Texas Workforce Commission may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the Texas Workforce Commission may have under applicable state law; or (c) seek such relief as may be appropriate in the Court. The Reorganized Debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Texas Workforce Commission may proceed with the state law remedies for collection of all amounts due under state law.
- c. The Class 5 Claim is Impaired and the holder of the Class 5 Claim is entitled to vote to accept or reject the Plan.

Class 6: Allowed Secured Claim of J.P. Morgan Chase Bank.

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be in the amount of \$559,708.18 (or such amount as determined by the Court). This claim shall be paid fully over a period of 60 months, with interest at a rate of 4.5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 25-year amortization. The first payment is due on the first day of the first month following the Effective Date and all subsequent payments shall continue on the first day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Chase Bank shall be secured for an Allowed Secured Claim on the Debtor's real and personal property described in its loan documents and financing statements (the "Collateral"), in the amount Allowed by the Court as of Confirmation Date.
- c. There shall be no prepayment penalty if this Claim is paid early.

- d. Should this Section of the Plan for treatment of the Allowed Secured Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Class 6 Claim is Impaired and the holder of this Class 6 Claim is entitled to vote to accept or reject the Plan.

Class 7: Allowed General Unsecured Claims

- a. The Claims in this class will be paid by the Reorganized Debtor pro-rata from the amount of \$250.00 per month once Allowed over 60 months. The payments shall commence on the first day of the month following the Effective Date and shall continue on the first day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$53,401.39. There are no insider general unsecured claims.
- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.

Class 8: Equity Interests.

On the Confirmation Date, all Interests shall be retained.

The Equity Interests are Unimpaired under the Plan.

ARTICLE VI

FEASIBILITY OF PLAN

6.1 Debtor asserts that its Plan is feasible based on **Exhibit "B"**.

Procedure for Filing Proofs of Claims and Proofs of Interests

6.2 All proofs of claims and proofs of interests must be filed by those Claimants and Equity Interest Holders who have not filed such instruments on or before the Bar Date fixed by the Court.

6.3 If Claimants have already filed a proof of claim with the Court or are listed in the Debtor's Schedules as holding non-contingent, liquidated and undisputed claims, a proof of claim need not be filed. The schedules and amendments thereto are on file with the Court and are open for inspection during regular Court hours. These documents and related documents are available on the Court's PACER site at www.txnb.uscourts.gov using All Saint's name or case number as referenced above. Such information may also be obtained from the Debtor or its counsel.

ARTICLE VII

ALTERNATIVES TO DEBTOR'S PLAN

7.1 If the Debtor's Plan is not confirmed, the Debtor's bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtor for distribution to its Creditors in accordance with the priorities of the Code. Per the liquidation analysis above, since there is equity in Debtor's assets there would be a full distribution to unsecured creditors in a Chapter 7 case.

ARTICLE VIII

RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

8.1 Claimants should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that the Debtor's business will generate revenue sufficient to pay the obligations accruing from its operations. The Debtor does not "guarantee" that the expenses will equal those in the projections; however, the Debtor believes that the projections are reasonable. The Debtor's business hinges on tenants paying rent and the healthcare business of the debtor sustaining itself and possibly growing.

ARTICLE IX

TAX CONSEQUENCES

9.1 Implementation of the Plan may result in federal income tax consequences to holders of Claims and to the Debtor. Tax consequences to a particular Creditor may depend on the particular circumstances or facts regarding the Claim of the Creditor. **CLAIMANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.**

ARTICLE X

PENDING LITIGATION

10.1 As of the date of the filing of this Disclosure the significant matters pending are as follows: None.

ARTICLE XI

SUMMARY OF SIGNIFICANT ORDERS ENTERED DURING THE CASE

11.1 As of the date of the filing of this Disclosure the following significant orders have been entered in this case: Order Employing Professionals.

Respectfully submitted,

/s/ Joyce W. Lindauer

Joyce Lindauer

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ATTORNEYS FOR DEBTOR

/s/ Jackson Ehioauh

for DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**ALL SAINTS CARE INJURY &
REHABILITATION CLINIC INC.,**

Debtor.

§
§
§
§
§
§

**CASE NO. 17-30481-bjh
Chapter 11**

**FIRST AMENDED PLAN OF REORGANIZATION
DATED JULY 14, 2017**

All Saints Care Injury & Rehabilitation Clinic, Inc., ("All Saints" or "Debtor") proposes the following First Amended Plan of Reorganization ("Plan") Dated July 14, 2017 pursuant to Chapter 11 of the United States Bankruptcy Code on behalf of All Saints. All Saint's profitability to fund the Plan is based on the amount it collects each month under its ongoing business operations. The projections spreadsheet supplement attached to the Disclosure Statement as Exhibit B includes the average monthly income figure for the Debtor. All Saints will file periodic financial reports with the Court as required by the Code covering its profitability, projections of cash receipts and disbursements for a reasonable period and a comparison of actual cash receipts and disbursements with projections in prior reports. These reports shall be available on the Court's PACER site at www.txnb.uscourts.gov using All Saint's name or case number as referenced above. Such information may also be obtained from the Debtor or its counsel.

EXHIBIT A

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ARTICLE I
DEFINITIONS AND USE OF TERMS

1.01 Defined Terms. Unless the context otherwise requires, capitalized terms shall have the meanings set forth in this section 1.01.

1.01.01 Administrative Claim or Expense means an administrative expense or Claim described in Section 503 of the Bankruptcy Code and entitled to administrative priority pursuant to Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, Claims for compensation of professionals made pursuant to Sections 330 and 331 of the Bankruptcy Code, and all fees and charges assessed against All Saints and its property under 28 U.S.C. Section 1930.

1.01.02 Administrative Tax Claim means an Unsecured Claim by any governmental unit for taxes (including interest or penalties related to such taxes) for any tax year or period, all or a portion of which occurs or falls within the period from and including the Petition Date through the Effective Date.

1.01.03 Allowed Claim means a Claim against All Saints allowable under the Bankruptcy Code to the extent that (i) a proof of Claim, proof of Interest, or request for payment was timely Filed or, with leave of the Bankruptcy Court, late Filed, and as to which no objection has been timely Filed or, if Filed, is allowed by a Final Order, unless otherwise provided in this Plan or (ii) the Claim is scheduled and not listed as disputed, contingent, or unliquidated, and to which no objection has been timely Filed or, if Filed, is allowed by a Final Order or (iii) a Claim allowed pursuant to this Plan.

1.01.04 Allowed Secured Claim means any Allowed Claim secured by a lien, security interest, or other charge or interest in property in which All Saints has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).

1.01.05 All Saints shall mean, prior to the Confirmation Date, All Saints, the debtor and debtor-in-possession in the Case, and shall mean, effective upon and after the Confirmation Date, All Saints, as it exists as a reorganized debtor governed by the Plan and with the rights, obligations and duties set forth in the Plan.

1.01.06 Bankruptcy Code or Code means the United States Bankruptcy Code, Title 11 of the United States Code Section 101 et seq., as amended.

1.01.07 Bankruptcy Court means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division or such other court that may have jurisdiction with respect to the reorganization of All Saints pursuant to Chapter 11 of the Bankruptcy Code.

1.01.08 Bankruptcy Rule means the Federal Rules of Bankruptcy Procedure.

1.01.09 Bar Date means subsequent to which a proof of pre-petition Claim may not timely be Filed or the date by which proofs of claims held by governmental agencies must be filed.

1.01.10 Case means this Chapter 11 Bankruptcy Case in the Bankruptcy Court.

1.01.11 Claim shall have the meaning set forth in Bankruptcy Code Section 101(5).

1.01.12 Claimant means any person or entity having or asserting a Claim in the case.

1.01.13 Class or Classes mean all of the holders of Claims or Interests that All Saints has designated pursuant to Section 1123(a)(1) of the Bankruptcy Code as having substantially similar characteristics as described in Article IV of this Plan.

1.01.14 Confirmation means the entry by the Bankruptcy Court of a Confirmation Order confirming this Plan.

1.01.15 Confirmation Date means the date on which the Confirmation Order is entered.

1.01.16 Confirmation Hearing means the hearing or hearings held before the Bankruptcy Court in which All Saints will seek Confirmation of this Plan.

1.01.17 Confirmation Order means the Order of the Court confirming this Plan under Section 1129 of the Bankruptcy Code.

1.01.18 Contested when used with respect to a Claim, means a Claim against All Saints (a) if no Proof of Claim was filed, a claim that is listed in All Saints' Schedules of Assets and Liabilities as disputed, contingent, or unliquidated and that is not allowed pursuant to this Plan; (b) a claim that is the subject of a pending action in a forum other than the Bankruptcy Court unless such Claim has been determined by Final Order in such other forum and Allowed by Final Order of the Bankruptcy Court; or (c) if a Proof of Claim was filed, a claim as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.01.19 Creditor shall have the meaning specified by Section 101(9) of the Code.

1.01.20 Disputed Claim means any Claim that is not an Allowed Claim.

1.01.21 Effective Date means the first day of the month following the expiration of thirty (30) days after the Confirmation Date.

1.01.22 Estate means the estate created pursuant to Bankruptcy Code Section 541 with respect to All Saints.

1.01.23 Fee Claim means a Claim under Bankruptcy Code Sections 330 or 503 for allowance of compensation and reimbursement of expenses to professionals in All Saints' Chapter 11 case.

1.01.24 Filed means delivered to the Clerk of the Bankruptcy Court.

1.01.25 Final Order means an order or judgment of a court of competent jurisdiction that

has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition *for petition for certiorari*, or move for a stay, new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari* or other proceedings for a stay, new trial, reargument or rehearing shall then be pending or (b) if an appeal, writ of *certiorari*, stay, new trial, reargument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, *certiorari* shall have been denied or a stay, new trial, reargument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for *certiorari*, or move for a stay, new trial, reargument or rehearing shall have expired; *provided, however*, that no order or judgment shall fail to be a "Final Order" solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.

1.01.26 General Unsecured Claim means Unsecured Claim that is not entitled to priority under Section 507(a) of the Bankruptcy Code.

1.01.27 Impaired means the treatment of an Allowed Claim pursuant to the Plan unless, with respect to such Claim, either (i) the Plan leaves unaltered the legal, equitable and contractual rights to which such Claim entitles the holder of such Claim, or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after occurrence of a default, All Saints (A) cures any default that occurred before or after the commencement of the Chapter 11 Case on the Petition Date, other than default of the kind specified in Section 365(b)(2) of the Bankruptcy Code; (B) reinstates the maturity of such Claim as such maturity existed before such default; (C) compensates the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (D) does not otherwise alter the legal, equitable or contractual rights to which such Claim entitles the holder of such Claim; or (iii) the Plan provides that on the Effective Date, the holder of such Claim receives, on account of such Claim, cash equal to the Allowed Amount of such Claim.

1.01.28 Petition Date means February 6, 2017, the date All Saints' petition was filed commencing this bankruptcy case.

1.01.29 Plan means this Plan of Reorganization, as it may be amended or modified from time to time as permitted herein and by the Bankruptcy Court.

1.01.30 Pre-petition means prior to the Petition Date.

1.01.31 Priority Tax Claim means a Claim entitled to priority pursuant to Bankruptcy Code Section 507(a)(8).

1.01.32 Pro Rata means proportionately, based on the percentage that the amount of an Allowed Claim within a particular Class bears to the aggregate amount of all Allowed Claims in such Class.

1.01.33 Property of the Estate means all property in which All Saints or its bankruptcy Estate holds a legal or an equitable interest, including all property described in Bankruptcy Code

Section 541. All Saints shall remain in possession of all property of the Estate unless provided for otherwise in the Plan or Confirmation Order.

1.01.34 Rejection Claim means any Claim arising pursuant to Bankruptcy Code Section 502(g) by reason of rejection by All Saints of an executory contract or unexpired lease pursuant to Bankruptcy Code Sections 365 or 1123(b)(2).

1.01.35 Secured Claim means any Claim secured by a lien, security interest, or other charge or interest in property in which All Saints or the Estate has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).

1.01.36 Secured Tax Claim means any Tax Claim which is secured by real or personal property.

1.01.37 Secured Creditor or Secured Claimant means any Claimant holding a Secured Claim.

1.01.38 Unimpaired means not Impaired.

1.01.39 Unsecured Claim means any Claim not collateralized (or the extent not fully collateralized) by assets of All Saints.

1.01.40 Unsecured Claimants or Unsecured Creditors means any holder of an Unsecured Claim.

1.01.41 Voidable Transfer means all transfers voidable under Sections 544, 545, 547, 548, 549 or 550 of the Code or any other state or federal transfer.

1.02 Number and Gender of Words. Whenever the singular number is used, it shall include the plural, and the plural shall include the singular, as appropriate to the context. Words of any gender shall include each other gender where appropriate.

1.03 Terms Defined in the Bankruptcy Code. Capitalized terms not specifically defined in section 1.01 of the Plan shall have the definitions given those terms, if applicable, in the Bankruptcy Code.

1.04 Headings. The headings and captions used in this Plan are for convenience only and shall not be deemed to limit, amplify or modify the terms of this Plan nor affect the meaning thereof.

1.05 Time Computation. In computing any period of time prescribed herein, the provisions of Federal Rule of Bankruptcy Procedure Rule 9006(a) shall apply.

ARTICLE II **CONCEPT OF THE PLAN**

2.01 Generally. The Plan is a plan of reorganization. All Saints shall continue its business after the Effective Date. All Saints provides healthcare and rehabilitation services in

Duncanville, Texas.

ARTICLE III
GENERAL TERMS AND CONDITIONS

3.01 Treatment of Claims. This Plan is intended to resolve all Claims against All Saints or property of All Saints of whatever character, whether contingent or liquidated, or whether allowed by the Bankruptcy Court pursuant to Bankruptcy Code Section 502(a). However, only Allowed Claims will receive payments afforded by the Plan. The Plan is designed to insure that Claimants shall receive more pursuant to this Plan than they would receive in a liquidation pursuant to Chapter 7 of the Bankruptcy Code.

3.02 Time for Filing Claims. The holder of any Administrative Claim other than (i) a Fee Claim, (ii) a liability incurred and paid in the ordinary course of business by All Saints, or (iii) an Allowed Administrative Claim, must file with the Bankruptcy Court and serve on All Saints and its respective counsel, notice of such Administrative Claim within thirty (30) days after the Effective Date. At a minimum, such notice must identify (i) the name of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to file this notice timely and properly shall result in the Administrative Claim being forever barred and discharged.

Each Person asserting an Administrative Expense that is a Fee Claim incurred before the Effective Date shall be required to file with the Bankruptcy Court, and serve on All Saints' counsel and the U. S. Trustee, a Fee Application within sixty (60) days after the Effective Date.

A person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

Liabilities incurred from the Petition Date through the Effective Date in the ordinary course of business shall be paid in the ordinary course of business by All Saints.

3.03 Filing of Notice of Effective Date. The Debtor shall file a Notice of Effective Date providing the date of the Effective Date under this Plan and this Notice shall be filed within twenty-one (21) days of the Confirmation of the Plan.

ARTICLE IV
DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

All Saints designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. All Saints pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or All Saints is otherwise released from such obligations by the Court.

Class 1 consists of any Allowed Administrative Claims.

Class 2 consists of the Allowed Secured Claims of Ad Valorem Taxing Authorities

Class 2a consists of the Allowed Ad Valorem Tax Claim of FNA DZ, LLC

Class 3 consists of the Allowed Priority Claim of the Internal Revenue Service

Class 4 consists of any Allowed Priority Claims of Commercial Tenants

Class 5 consists of the Allowed Priority Claim of the Texas Workforce Commission.

Class 6 consists of the Allowed Secured of J.P. Morgan Chase Bank.

Class 7 consists of the Allowed General Unsecured Claims.

Class 8 consists of Equity Interests.

PROVISIONS FOR SATISFACTION OF CLAIMS AND INTERESTS

The Claims and Interests classified in Article V hereof shall be treated in the manner set forth below:

Class 1: Allowed Administrative Claims. The Class 1 Claims are estimated to be \$10,000.00. The Allowed amount of Class 1 Claims will be paid once Allowed in full by All Saints. These claims are administrative claims pursuant to Section 507(a)(1) of the Bankruptcy Code. These claims include claims for All Saints' attorney's fees and U.S. Trustee's fees. U.S. Trustee's fees must be paid until the case is closed. All Saints must file quarterly reports following confirmation and until the case is closed. The Class 1 Claims may agree to a different treatment which will be set forth in writing.

The Administrative Claims bar date is being set at thirty (30) days from the Effective Date of the Plan. The Professional Fee bar date is being set at thirty (30) days from the Effective Date. The rejection of claims bar date is the earlier of (a) thirty (30) days from the Effective Date or (b) such other deadline as the Court may set for asserting a Claim for such damages.

The administrative claims are projected to be paid under the Plan as follows: \$2,500.00 the first month and \$1,500.00 per month for the next five (5) months.

Class 1 Claims are not Impaired and the holders of Class 1 Claims are not entitled to vote to accept or reject the Plan.

Class 2: Allowed Secured Claims of Ad Valorem Taxing Authorities

Class 2 shall consist of the Allowed Secured Claims of Ad Valorem Taxing Authorities on the Debtor's real and personal property which accrued on or prior to January 1, 2016 (the "**Class 2 Claims**") in the estimated approximate amount of \$117,000.00.

- a. The Class 2 Claims will be paid once Allowed over 60 months from the Confirmation Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2 Claims shall be paid interest from

the Petition Date at the rate of 1% per month from the Petition Date through the Effective Date of the Plan and 12% per annum following the Effective Date until paid in full.

- b. In the event that the Debtor dispute such claims, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed.
- c. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 2 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 2 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default.
- d. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The 2017 taxes shall be paid when due.
- e. Class 2 Claims are Impaired by the Plan. The holders of Class 2 Claims are entitled to vote to accept or reject the Plan.

Class 2a: Allowed Ad Valorem Tax Claim of FNA DZ, LLC

Class 2a shall consist of the Allowed Ad Valorem Tax Claim of FNA DZ, LLC on the Debtor's real and personal property which accrued on or prior to January 1, 2016 (the "**Class 2 Claims**") in the amount of \$36,417.01.

- a. The Class 2a Claim will be paid once Allowed over 60 months from the Confirmation Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2a Claim shall be paid interest from the Petition Date at the rate of 1% per month from the Petition Date through the Effective Date of the Plan and 12.9% per annum following the Effective Date until paid in full.
- b. In the event that the Debtor dispute such claims, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed.
- c. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. Such default shall be cured within 10 business days of the date of transmission of such

notice of default. In the event the default is not cured, the Class 2a Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 2a Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default.

- d. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 2a Claim shall not be primed by any post-petition financing of the Debtor. The 2017 property taxes shall be paid when due.
- e. Class 2a Claims are Impaired by the Plan. The holders of Class 2a Claims are entitled to vote to accept or reject the Plan.

Class 3: Allowed Priority Unsecured Claim of the Internal Revenue Service

Class 3 shall consist of the Allowed Priority Unsecured Claim of the Internal Revenue Service in the estimated amount of \$700.00.

- a. The Class 3 Claim shall be paid in full over 12 months from the Effective Date at an interest rate of 4.25% per annum. Payments shall commence on the first day of the month following the Effective Date and continue on the first day of each month thereafter until paid in full.
- b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:
 - 1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS's claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:
 - (A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtor or their successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.

- (B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.
 - (C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: Internal Revenue Service, Attn: Deborah Thomas, 1100 Commerce Street, M/S MC5027DAL, Dallas, TX 75242.
 - (D) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.
- c. The Class 3 Claim is Impaired and the holder of the Class 3 Claim is entitled to vote to accept or reject the Plan.

Class 4: Allowed Priority Claims of Commercial Tenants.

Class 4 shall consist of the Allowed Priority Claims of Commercial Tenants in the estimated amount of \$650.00 . These claims are security deposits of commercial property tenants held by All Saints to Section 507(a)(7) of the Bankruptcy Code.

- a. Class 4 claims shall be paid fully at \$130.00 per month for the first five (5) months. The first payment is due on the first day of the first month following the Effective Date and all subsequent payments shall continue on the first day of each month thereafter until the allowed amount of the claim is paid in full.
- b. There shall be no prepayment penalty if this Claim is paid early.
- c. The Class 4 Claims may agree to a different treatment which will be set forth in writing.
- d. Should this Section of the Plan for treatment of Class 4 Claims contradict any other provision in the Plan, the provisions of this Section shall control
- e. The Class 4 Claims are Impaired and the holder of a Class 4 Claim is entitled to vote to

accept or reject the Plan.

Class 5: Allowed Priority Claim of the Texas Workforce Commission

Class 5 shall consist of the Allowed Priority Claim of the Texas Workforce Commission in the estimated amount of \$2,575.35.

- a. The Class 5 Claim of the Texas Workforce Commission shall be paid in full over 24 months from the Effective Date at an interest rate of 18% per annum. Payments shall commence on the first day of the month following the Effective Date and continue on the first day of each month thereafter until paid in full.
- b. Events of Default. A failure by the reorganized Debtor to make a payment to the Texas Workforce Commission pursuant to the terms of the Plan shall be an Event of Default. If the reorganized Debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the Texas Workforce Commission, then the Texas Workforce Commission may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the Texas Workforce Commission may have under applicable state law; or (c) seek such relief as may be appropriate in the Court. The Reorganized Debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Texas Workforce Commission may proceed with the state law remedies for collection of all amounts due under state law.
- c. The Class 5 Claim is Impaired and the holder of the Class 5 Claim is entitled to vote to accept or reject the Plan.

Class 6: Allowed Secured Claim of J.P. Morgan Chase Bank.

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be in the amount of \$559,708.18 (or such amount as determined by the Court). This claim shall be paid fully over a period of 60 months, with interest at a rate of 4.5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 25-year amortization. The first payment is due on the first day of the first month following the Effective Date and all subsequent payments shall continue on the first day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Chase Bank shall be secured for an Allowed Secured Claim on the Debtor's real and personal property described in its loan documents and financing statements (the "Collateral"), in the amount Allowed by the Court as of Confirmation Date.

- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of the Allowed Secured Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Class 6 Claim is Impaired and the holder of this Class 6 Claim is entitled to vote to accept or reject the Plan.

Class 7: Allowed General Unsecured Claims

- a. The Allowed Unsecured Claims will be paid in full with an interest rate of 2% per annum, beginning on the Confirmation Date. The payments shall commence on the first day of the month following the Effective Date and shall continue on the first day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$53,401.39. There are no insider general unsecured claims.
- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.

Class 8: Equity Interests.

On the Confirmation Date, all Interests shall be retained.

The Equity Interests are Unimpaired under the Plan.

ARTICLE VI
MEANS FOR IMPLEMENTATION OF PLAN

6.01 Implementation of Plan; Vesting. This Plan will be implemented, pursuant to Section 1123(a)(5) of the Code, by the commencement of payments as called for in the Plan. Projections for this Plan are attached to the Disclosure Statement and incorporated herein by this reference as if set forth in full for all purposes.

Upon the Effective Date, all property of All Saints and its Estate shall vest in All Saints, subject to the Allowed Secured Claims in this Plan.

ARTICLE VII
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.01 Rejection of Executory Contracts and Unexpired Leases. All Saints may assume, pursuant to Bankruptcy Code Section 1123(b)(2), by separate Motions unexpired leases of non-residential real property and executory contracts prior to the Confirmation Date. Executory Contracts and Unexpired Leases that are not assumed prior to the Confirmation Date are deemed accepted.

7.02 Bar Date for Claims Based on Rejection. If the rejection of an executory contract or an unexpired lease by All Saints results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against All Saints or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon All Saints, by the earlier of (a) thirty (30) days from the Effective Date or (b) such other deadline as the Court may set for asserting a Claim for such damages. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract shall be treated as a General Unsecured Claim; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by All Saints that such rejection gives rise to or results in a Claim or shall be deemed a waiver by All Saints of any objections to such Claim if asserted.

ARTICLE VIII
ENFORCEMENT, SETTLEMENT, OR ADJUSTMENT OF CLAIMS

8.01 All Saints' Causes of Action. Except as otherwise released pursuant to the Plan, all Claims recoverable under Section 550 of the Bankruptcy Code, all Claims against third parties on account of an indebtedness, and all other Claims of any kind or character whatsoever owed to or in favor of All Saints or the Estate to the extent not specifically compromised and released pursuant to this Plan or any agreement referred to and incorporated herein, are hereby preserved and retained for enforcement by All Saints for the benefit of the Creditors subsequent to the Effective Date. Nothing in this Plan shall act as a bar as it relates to any claims of All Saints against third parties, except as expressly released pursuant to the Plan. Nothing in this Plan or the confirmation of the Plan shall estop the Debtor from asserting claims against third parties.

Objections to Claims. Except as provided for in the Plan, any party authorized by the Bankruptcy Code may object to the allowance of Pre-petition Claims at any time prior to sixty (60) days after the Effective Date and, as to Rejection Claims, at any time prior to sixty (60) days after the filing of any such Rejection Claim. Any proof of Claim filed after the Court sets bar dates shall be of no force and effect and shall be deemed disallowed. All Contested Claims shall be litigated to Final Order; *provided, however*, that All Saints may compromise and settle any Contested Claim, subject to the approval of the Bankruptcy Court. Notwithstanding the foregoing, a person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

No distributions under this Plan shall be made to the holder of a Claim that is in dispute, unless and until such Claim becomes an Allowed Claim. If a Claim is disputed in whole or in part because All Saints asserts a right of offset against such Claim or recoupment against the holder of such Claim, then, if and to the extent the Claim giving rise to the offset or recoupment is sustained by Final Order, the Claim in dispute shall be reduced or eliminated and, if applicable, the holder of such Claim shall be required to pay the amount of *such offset or* recoupment, less the amount of its Allowed Claim. In addition, any party authorized by the Bankruptcy Code, at anytime, may request that the Court estimate any contingent, disputed or

unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code, regardless of any prior objections.

ARTICLE IX
EFFECT OF CONFIRMATION

9.01 Discharge and Release of All Saints. Except as provided in the Plan, pursuant to Bankruptcy Code Section 1141(d), confirmation of this Plan does discharge All Saints.

9.02 Legal Binding Effect. The provisions of this Plan, pursuant to the Bankruptcy Code Section 1141 shall bind All Saints and all Creditors, whether or not they accept this Plan. The distributions provided for Claimants shall not be subject to any Claim by another creditor or interest holder by reason of any assertion of a contractual right of subordination.

9.03 Discharge shall, except as provided in the Plan, result in the inability to commence or continue any judicial, administrative, or other action or proceeding on account of any Pre-Petition Date Claims against All Saints.

Except as provided in the Plan, from and after the Confirmation Date, all holders of Claims against All Saints are restrained and enjoined (a) from commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim against All Saints, or its property; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets or All Saints on account of such Claims; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Assets, or All Saints on account of such Claims; (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the All Saints on account of such Claims; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan on account of such Claims; *provided, however,* that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims shall be entitled to enforce its rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan. Such restraint shall be consistent with the discharge granted to All Saints in connection with confirming its Plan as called for by the Code.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.01 Request for Relief Under Bankruptcy Code Section 1129. In the event any Impaired Class shall fail to accept this Plan in accordance with Bankruptcy Code Section 1129(a), All Saints reserves the right to, and does hereby request the Bankruptcy Court to confirm the Plan in accordance with Bankruptcy Code Section 1129(b).

10.02 Revocation. All Saints reserves the right to revoke and withdraw this Plan at any time prior to the Confirmation Date.

10.03 Effect of Withdrawal or Revocation. If All Saints revokes or withdraws this Plan prior to the Confirmation Date, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or

against All Saints or any other person or to prejudice in any manner the rights of All Saints or any person in any further proceedings involving All Saints.

10.04 Due Authorization by Creditors. Each and every Claimant who elects to participate in the distributions provided herein acknowledges that it is authorized to accept in consideration of its Claim against All Saints the distributions provided in the Plan.

10.05 Entire Agreement. This Plan, as described herein, the Confirmation Order and all other documents and instruments to effectuate this Plan provided for herein, constitute the entire agreement and understanding among the parties hereto relating to the subject matter hereof and supersedes all prior discussions and documents.

10.06 Section 1146 Exemption. Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange or any security under this Plan or the making or delivery of any instrument or transfer pursuant to, in implementation of or as contemplated by this Plan or the transfer of any property pursuant to this Plan shall not be taxed under any federal, state or local law imposing a stamp, transfer or similar tax or fee.

10.07 Provisions Governing Distributions. All payments and distributions under the Plan shall be made by All Saints as indicated. Any payments or distributions to be made by All Saints pursuant to the Plan shall be made as soon as reasonably practicable after the Effective Date, except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court. Any payment or distribution by All Saints pursuant to the Plan, to the extent delivered by the United States Mail, shall be deemed made when deposited into the United States Mail.

Payments of Cash to be made by All Saints pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

Distributions and deliveries to holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or proof of interest is filed). All Claims for undeliverable distributions shall be made on or before the second anniversary of the Effective Date. After such date, all unclaimed property shall remain the property of All Saints and the Claim of any other holder with respect to such unclaimed property shall be discharged and forever barred.

Checks issued by All Saints in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of delivery thereof. Requests for reissuance of any check shall be made directly to All Saints by the holder of the Allowed Claim to whom such check originally was issued. Any claim in respect of such a voided check within ninety (90) days after the date of delivery of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred, and the amount of such checks shall become Unclaimed Property and returned to All Saints.

No interest shall be paid on any Claim unless, and only to the extent that, the Plan specifically provides otherwise.

10.08 Governing Law. Unless a rule of law or procedure supplied by federal law

(including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of law provision is provided, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

10.09 Default. If All Saints fails to satisfy any of the obligations under this Plan and such default is not cured within 30 business days of the date of transmission of notice of the default to All Saints, then the defaulted party may pursue all of its remedies outside of the Bankruptcy Court, including, but not limited to, foreclosure on its lien(s) on property. For purposes of this provision, notice shall be provided to All Saints, c/o Joyce Lindauer, Esq. via phone at (972) 503-4033 and via fax at (972) 503-4034. The Debtor is only permitted two (2) defaults.

ARTICLE XI MODIFICATION OF THE PLAN

11.01 Modification of the Plan. All Saints may propose amendments or modifications of the Plan at any time prior to Confirmation, upon notice to all parties-in-interest. After Confirmation, All Saints may, with approval of the Court, and so long as it does not materially or adversely affect the interest of creditors, to remedy any defect or omission or reconcile any inconsistencies in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of this Plan.

ARTICLE XII RETENTION OF JURISDICTION

Notwithstanding confirmation of the Plan or the Effective Date having occurred, the Court will retain jurisdiction for the following purposes:

12.01 Allowance of Claims. To hear and determine the allowability of all Claims upon objections to such Claims.

12.02 Executory Contracts and Unexpired Leases Proceedings. To act with respect to proceedings regarding the assumption of any executory contract or unexpired lease of All Saints pursuant to Sections 365 and 1123 of the Code and Article VII of the Plan.

12.03 Plan Interpretation. To resolve controversies and disputes regarding the interpretation of the Plan.

12.04 Plan Implementation. To implement and enforce the provisions of the Plan and enter orders in aid of confirmation and implementation of the Plan.

12.05 Plan Modification. To modify the Plan pursuant to § 1127 of the Code and applicable Bankruptcy Rules, except that no modification shall be made to the Plan that would impair, diminish or affect in any way the rights of participants of any Classes of the Plan without the consent of such Class.

12.06 Adjudication of Controversies. To adjudicate such contested matters and adversary proceedings as may be pending or subsequently initiated in the Court against All Saints.

12.07 Injunctive Relief. To issue any injunction or other relief as appropriate to implement the intent of the Plan, and to enter such further orders enforcing any injunctions or other relief issued under the Plan or in the Confirmation Order.

12.08 Interpleader Action. To entertain interpleader actions concerning assets to be distributed or other assets of the Estate.

12.09 Correct Minor Defects. To correct any defect, cure any omission or reconcile any inconsistency or ambiguity in the Plan, the Confirmation Order or any document executed or to be executed in connection therewith, as may be necessary to carry out the purposes and intent of the Plan, provided that the rights of any holder or an Allowed Claim are not materially and adversely affected thereby.

12.10 Authorization of Fees and Expenses. To review and authorize payment of professional fees incurred prior to the Effective Date.

12.11 Post-Confirmation Orders Regarding Confirmation. To enter and implement such orders as may be appropriate in the event the Confirmation Order is, for any reason, stayed, reversed, revoked, modified, or vacated.

12.12 Final Decree. To enter a final decree closing the Case pursuant to Bankruptcy Rule 3022.

Submitted By:

By: /s/ Joyce W. Lindauer
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COUNSEL FOR DEBTOR

/s/ Jackson Ehioauh
Director for DEBTOR

<u>Class</u>	<u>POC</u>	<u>Name (who filed)</u>	<u>Total Amount</u>	<u>Class</u>	<u>Notes</u>
Class 1		Admin	\$ 10,000.00	Priority	
Class 2	POC 1	Dallas County	\$48,684.00	Secured	60 months @12%
Class 2	POC 7	Propel Financial	\$25,165.42	Secured	60 months @12%
Class 2	POC 8	Propel Financial	\$27,637.70	Secured	60 months @12%
Class 2	POC 9	Propel Financial	\$27,857.13	Secured	60 months @12%
Class 2a	POC 3	FNA DZ LLC (Property tax Lien)	\$36,417.01	Secured	60 months @12.9%
Class 3	POC 2	IRS	\$700.00	Priority	12 months @4.25%
Class 4	No POC	Advantex Services (Security Deposit)	\$400.00	Priority	\$130 per month for 6 months
Class 4	No POC	Divine Touch Hair Braiding (Security Deposit)	\$250.00	Priority	\$130 per month for 6 months
Class 5	POC 4	Texas Workforce Commission	\$2,575.35	Priority	24 months @ 18%
Class 6	POC 6	JP Morgan Chase Bank	\$ 559,708.18	Secured	60 months @4.5% amortized over 25 years
Class 7	POC 5	Reliant Energy	\$44,328.64	Unsecured	Pro-Rata \$1,000.00 per month for 60 months
Class 7	No POC	Oncor Electric	\$8,000.00	Unsecured	Pro-Rata \$1,000.00 per month for 60 months
Class 7	POC 2	IRS	\$700.00	Unsecured	Pro-Rata \$1,000.00 per month for 60 months
TOTAL CLAIMS			\$ 792,423.43		

EXHIBIT B

**All Saints Care Injury &
Rehabilitation Clinic, Inc.**

7/6/2017

Source:		MORs
Nr of months:		3

Revenue and Expense Overview					
MOR:		Mar-17	Apr-17	May-17	Average
A. Gross Revenue		\$ 7,870.44	\$ 6,791.00	\$ 5,348.00	\$ 6,669.81
B. Expenses (excl. reorganization)		\$ 171.12	\$ 2,160.42	\$ 657.16	\$ 996.23
D. Net Income (A - B)		\$ 7,699.32	\$ 4,630.58	\$ 4,690.84	\$ 5,673.58
Revenue					
MOR Gross Income		\$ 7,870.44	\$ 6,791.00	\$ 5,348.00	\$ 6,669.81
Totals		\$ 7,870.44	\$ 6,791.00	\$ 5,348.00	\$ 6,669.81
Expenses (Excluding Reorganization)					
Expenses		171.12	2,160.41	657.16	\$ 996.23
Totals		\$ 171.12	\$ 2,160.41	\$ 657.16	\$ 996.23

CHAPTER 11 DEBTOR PROJECTIONS**All Saints Care Injury & Rehabilitation Clinic, Inc.****7/6/2017**

		August	September	October	Nov	Dec
		Month	Month	Month	Month	Month
		1	2	3	4	5
INCOME						
	Gross Income on Average	6,669.81	6,669.81	8,500.00	8,500.00	8,500.00
	Owner Contribution	1,000.00	1,000.00	900.00	900.00	900.00
	Legal Retainer	2,800.00				
	NET INCOME	10,469.81	7,669.81	9,400.00	9,400.00	9,400.00
EXPENSES						
	Total Expenses	996.23	996.23	996.23	996.23	996.23
			0.00	0.00	0.00	0.00
	TOTAL EXPENSES	996.23	996.23	996.23	996.23	996.23
PLAN PAYMENTS						
	Class					
	1 Allowed Administrative Claims	500.00	1,000.00	1,000.00	1,000.00	1,000.00
	2 Allowed Ad Valorem Tax Creditor	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00
	2a Allowed Ad Valorem Tax Claim of FNA DZ, LLC	827.40	827.40	827.40	827.40	827.40
	3 Allowed Priority Claims of IRS	59.68	59.68	59.68	59.68	59.68
	4 Allowed Priority Claims of Commercial Tenants	130.00	130.00	130.00	130.00	130.00
	5 Allowed Priority Claim of Texas Workforce Commission	129.00	129.00	129.00	129.00	129.00
	6 Allowed Secured Claim of JP Morgan Chase Bank	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00
	7 Allowed General Unsecured Claims	250.00	250.00	250.00	250.00	250.00
	8 Equity Interest Holders	0.00	0.00	0.00	0.00	0.00
	TOTAL PLAN PAYMENTS	7,885.08	8,385.08	8,385.08	8,385.08	8,385.08
NET INCOME		1,588.50	-1,711.50	18.69	18.69	18.69

Jan	Feb	March	April	May	June	July	August	September	October	Nov
Month	Month	Month								
6	7	8	9	10	11	12	13	14	15	16
8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00
900.00	900.00	900.00	900.00	900.00	900.00	900.00	0.00	0.00	0.00	0.00
9,400.00	9,400.00	9,400.00	9,400.00	9,400.00	9,400.00	9,400.00	8,500.00	8,500.00	8,500.00	8,500.00
996.23	996.23	996.23	996.23	996.23	996.23	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
996.23	996.23	996.23	996.23	996.23	996.23	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	500.00	0.00	0.00	0.00	0.00	0.00
2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00
827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40
59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00
3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00
250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8,255.08	8,255.08	8,255.08	8,255.08	8,255.08	7,755.08	7,255.08	7,255.08	7,255.08	7,255.08	7,255.08
148.69	148.69	148.69	148.69	148.69	648.69	1,044.92	144.92	144.92	144.92	144.92

Dec	Jan	Feb	March	April	May	June	July	August	October
Month									
17	18	19	20	21	22	23	24	25	26
8,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00
1,100.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00	2,878.00
827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40	827.40
59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68	59.68
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	0.00	0.00
3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00	3,111.00
250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7,255.08	7,255.08	7,255.08	7,255.08	7,255.08	7,255.08	7,255.08	7,255.08	7,126.08	7,126.08
144.92	1,044.92	1,044.92	1,044.92	1,044.92	1,044.92	1,044.92	1,044.92	1,173.92	1,173.92

June	July	August	September
Month	Month	Month	Month
57	58	59	60
9,500.00	9,500.00	9,500.00	9,500.00
0.00	0.00	0.00	0.00
9,500.00	9,500.00	9,500.00	9,500.00
1,200.00	1,200.00	1,200.00	1,200.00
0.00	0.00	0.00	0.00
1,200.00	1,200.00	1,200.00	1,200.00
0.00	0.00	0.00	0.00
2,878.00	2,878.00	2,878.00	2,878.00
827.40	827.40	827.40	827.40
59.68	59.68	59.68	59.68
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
3,111.00	3,111.00	3,111.00	3,111.00
250.00	250.00	250.00	250.00
0.00	0.00	0.00	0.00
7,126.08	7,126.08	7,126.08	7,126.08
1,173.92	1,173.92	1,173.92	1,173.92