

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re; Missouri City Funeral Directors at Glenn Park, Inc. § Case No.: 17-36178
§
§ Debtor § Chapter 11
§
§

**DEBTOR'S AMENDED DISCLOSURE STATEMENT
AND PLAN OF REORGANIZATION**

Missouri City Funeral Directors at Glenn Park, Inc., the debtor in the above-captioned bankruptcy case, proposes this Disclosure Statement and Chapter 11 Plan of Reorganization pursuant to §§ 1121 and 1125 of the Bankruptcy Code.

I. DEFINITIONS AND EXHIBITS

A. Definitions. The following terms used in this Disclosure Statement and Chapter 11 Plan of Reorganization have the respective meanings defined below.

1. Bankruptcy Code refers to Title 11 of the United States Code.
2. Bankruptcy Court (or “Court”) refers to the United States Bankruptcy Court of the Southern District of Texas.
3. Debtor refers to Missouri City Funeral Directors at Glenn Park, Inc.. Where appropriate, the “Debtor” may refer to the reorganized debtor.
4. Effective Date means the date that is 15 days after a final and non-appealed order is entered confirming the Plan.
5. Plan refers to this Disclosure Statement and Chapter 11 Plan of Reorganization.
6. Property refers to the real property located at 419 Present Street, Missouri City, Texas 77489

B. Exhibits. The following exhibits to this Plan are incorporated as if fully set

forth herein and are part of this Plan.

1. Exhibit 1 – Monthly Operating Reports for the two months (July 2018 and August 2018) prior to the date of this Plan (without bank statements—bank statements are filed with the Court).

II. INFORMATION REGARDING THE DEBTOR

A. The Debtor

The Debtor is a full-service funeral home operating in Missouri City, Texas.

B. Brief History of the Debtor and Cause of the Debtor's Chapter 11 Filing

The owner of Missouri City Funeral Directors at Glenn Park, Inc, M.C. Brock, has worked in funeral homes since age 11. His parents were friends with a funeral director and each day after school M.C. Brock spent a couple hours doing chores, such as cleaning up around the facility and washing hearses. The funeral director ultimately became his mentor. M.C. Brock was 16 years old when he began assisting his mentor in the embalming process and attended the Commonwealth College of Funeral Services in Houston, Texas at age 20.

The funeral home was previously operated by Funeral Homes of Texas, Inc. In 2008, Funeral Homes of Texas, Inc. obtained a loan from Wells Fargo Bank, N.A. (“Wells Fargo”) in the principal amount of \$235,000.00 which was secured by the property located at 419 Present Street, Missouri City, Texas 77489 (the “Property”).

On June 1, 2015 M.C. Brock formed Missouri City Funeral Directors at Glenn Park, Inc. The Debtor ultimately purchased the funeral home business from Funeral Homes of Texas, Inc., which included the Property. On July 21, 2015, Debtor executed a Modification and Assumption Agreement with Wells Fargo whereby the Debtor assumed the indebtedness Funeral Homes of Texas, Inc. owed to Wells Fargo. Pursuant to the terms of the Modification

and Assumption Agreement, principal and interest were payable in monthly installment payments of \$1,275.00 beginning August 13, 2015 until July 13, 2015, when the entire unpaid balance would mature and become due and payable. At the time Debtor executed the Modification and Assumption Agreement, the outstanding principal balance was \$153,798.81.

Debtor underestimated the effect of the change in the funeral industry, whereby cremations were on the rise and traditional funerals were no longer the preferred method of memorializing a loved one. This trend toward cremation had a significant adverse impact on the Debtor's ability to pay off the principal balance owed to Wells Fargo by the Maturity Date.

In addition to the indebtedness owed to Wells Fargo, Debtor also assumed several years of unpaid ad valorem taxes and at the time the case was filed Debtor owed Ovation Services \$165,491.64 for a loan obtained from Tax Ease Funding (original creditor) to pay outstanding ad valorem taxes. Debtor was unable to generate the income necessary to pay its creditors and foreclosure of its only real estate property was imminent. Debtor commenced the current chapter 11 proceeding in an effort to reorganize and generate income sufficient to pay its creditors.

C. Assets of the Debtor

The Debtor's assets at the time of the bankruptcy filing are set forth in detail on the schedules of the Debtor filed with the Court. However, at the time of filing, the Debtor's assets included the real property located at 419 Present Street, Missouri City, Texas where the debtor operates.

D. Source of the Information Contained in This Disclosure Statement

All information in this Plan and Disclosure Statement has been submitted by the

Debtor unless otherwise indicated.

E. Present Condition and Post-Petition Operations of the Debtors

Since filing the bankruptcy case, the Debtor has continued to operate as a full-service funeral home providing cremation, embalming, transportation and funeral services. Debtor has increased its network of church partners, made necessary improvements at the funeral home, launched a new website and has managed to increase its revenue during the pendency of this bankruptcy proceeding.

The post-petition financial operations of the Debtor are set forth in the monthly operating reports filed with the Bankruptcy Court. Attached as Exhibit A are the two most recent of the Debtor's monthly operating reports, which set forth the Debtor's cumulative post-petition operations.

F. Anticipated Future of the Debtor, Management of the Reorganized Debtor, and Feasibility

The Debtor anticipates continuing to operate as a full-service funeral home and is pursuing the possibility of adding a crematory to its operations. The income generated from continued operations should be sufficient to fund the plan, pay its creditors and remit payments to the owners and contractors who are necessary to ensure the proper operation of the funeral home.

Projections of income and expenses have been included with the monthly operating reports attached to this disclosure statement and plan of reorganization. Debtor projects continued profitability in the future.

G. Claims Summary

The chart below shows claims filed against the Debtor. The schedules filed by the Debtor also show other potential claims against the Debtor. The bar date for filing claims was March 5, 2018. The following table summarizes the claims filed against the Debtor:

Claim #	Creditor	Amount	Status	Collateral
1	Prime Rate Premium Finance	\$617.89	Secured	419 Present St.
2	Fort Bend County Taxes	\$7,483.27	Secured	419 Present St.
3	Fort Bend Conty WCID #02	\$885.33	Secured	419 Present St.
4	Fora Financial Business Loans	\$18,741.60	Secured	419 Present St.
5	Wells Fargo Bank, NA	\$153,768.06	Secured	419 Present St.
6	Ovation Servicing	\$165,491.64	Secured	419 Present St.
7	Fort Bend ISD	\$8,515.72	Secured	419 Present St.

If a claim is classified as disputed, unliquidated, or contingent, then the creditor must file a proof of claim. If a claim was classified as disputed, unliquidated or contingent on Schedule F by the Debtor and no proof of claim was timely filed by the bar date set by the Court, then no payment will be made to such creditor. The Debtor has scheduled undisputed general unsecured claims which can be viewed on Schedule E/F.

Copies of Schedules D (secured creditors), E (priority creditors), and F (unsecured creditors) are available from the Clerk of the Court or counsel for the Debtor.

H. Chapter 7 Liquidation as an Alternative to the Proposed Plan

The Debtor is proposing a Chapter 11 Plan of Reorganization to repay its debts utilizing the income generating from the continued operation as a funeral home. However, if the Plan is not approved by the Creditors and confirmed by the Court, the primary alternative for the Debtor is liquidation under chapter 7 or dismissal of the case.

In chapter 7 liquidation, it is possible that the Debtor's creditors would be paid in full. The asset that appears most valuable on the Debtor's schedules is the Property. The value of the Property on the Petition Date was \$416,627.0 and the Debtor believes it could obtain, in a chapter 7 liquidation, an amount similar to the amount stated in the schedules if the Property was liquidated.

The Plan proposes that all creditors be paid in full to the extent of their filed and allowed claims. Therefore, creditors will be paid more through the Plan than through a chapter 7 liquidation, considering the secured creditors will be paid the full amount of their claims with interest through the proposed Plan. The Debtor believes that its future income will be sufficient to pay the creditors in accordance with the terms of the proposed Plan.

I. Estimated Administrative Expenses

The Debtor estimates administrative expenses for this case, including hourly professional fees and expenses and pre-confirmation U.S. Trustee quarterly fees, to be approximately \$25,000.00 (subject to further fees and expenses). The administrative expenses are composed of attorney fees, U.S. Trustee quarterly fees, and a reserve for other possible administrative expenses.

J. Avoidance and Contested Claims

At this time, the Debtor has not identified any preferential transfers or fraudulent transfer claims. The Debtor does not contest the claims filed in the case and referenced above.

K. Risk Posed to Creditors

The risk to creditors is that there is the possibility that there is another shift in the trends within the industry that could affect the Debtor's profitability and cause the Debtor to generate less income than it anticipates.

L. Tax Ramifications

An analysis of the federal income tax consequences of the Plan to creditors requires a review of the Internal Revenue Code of 1986, as amended; the Treasury regulations promulgated thereunder; judicial authority; and current and administrative rulings and practice. The federal income tax consequences to any particular creditor may be affected by the nature of the taxable entity. There may also be state, local, or foreign tax considerations applicable to each creditor. Each creditor is urged to consult his, her, or its accountant or tax lawyer to determine the effect of this Plan upon his, her, or its claim.

M. Affiliate Relationships

The Debtor does not have any affiliate relationships.

N. Absolute Priority Rule

The Bankruptcy Code provides that with respect to each class of creditors, such class must accept the Plan or such class is not impaired under the plan. If a class does not accept the plan, then the bankruptcy court may confirm a plan over the failure of a class to vote for the plan, provided that for a class of unsecured claims, the plan must provide 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 the claim of the creditor, or 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. The Debtor believes that its plan complies with the absolute priority rule in the Bankruptcy Code that is contained in Section 1129(b). The Debtor is proposing to pay the total amount of each allowed claim in full.

III. PLAN AND TREATMENT OF CLAIMS

A. Plan Concept. The Debtor's Plan is reorganizing in nature. It provides for the division of claims into nine classes. Each of the claims in each class shall be treated in the manners and methods described below:

Class 1. Administrative Claims as of the Effective Date

Class 1 consists of the Allowed Claims entitled to priority under § 507(a)(1) of the Bankruptcy Code, including fees for services rendered and expenses incurred through the Effective Date by Debtor's counsel and other professionals appointed by the Court for the Debtor, the U.S. Trustee's pre-confirmation quarterly fees, and any other administrative

expenses.

The estimated amount of claims in Class 1, including professional fees and U.S. Trustee fees is approximately \$25,000.00. Except as provided below, each creditor in Class 1 shall be paid in cash on the Effective Date if the creditor's claim has matured or been approved or allowed by the Court, if such approval or allowance is required. Fees and expenses for counsel for the Debtor will be paid at an agreed amount after confirmation.

The budget projects payments of approximately \$750.00 per month to counsel for the Debtor until the fees and expenses are paid. If Counsel and the Debtor are in agreement as to the amounts to be paid for the legal fees and expenses, Counsel for the Debtor has agreed to accept payments over a period of time period in lieu of payment at confirmation. If the income of the Debtor increases, the Debtor may pay the approved fees and expenses at an earlier time period.

All fees for services rendered and expenses incurred after the Effective Date by court-appointed counsel and other professionals for the Debtor shall be paid by the Debtor in the ordinary course of business without the necessity of filing fee applications or seeking approval or allowance of the Court. The reorganized debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6).

Quarterly fees owed to the U.S. Trustee pre-confirmation will be paid on the Effective Date of the Plan. After confirmation and until this case is closed by the Court, the reorganized Debtor shall pay quarterly fees to the U.S. Trustee as they accrue and serve on the U.S. Trustee a quarterly financial statement or affidavit of quarterly disbursements.

The payments to The Pope Law Firm will start on the fifth day of the first full calendar month following the Effective Date of the Plan.

Class 2. Priority Unsecured Tax Claims

None.

Class 3. Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to set-off) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim the deficiency will be classified as a general unsecured claim. The following chart lists all classes containing Debtor's secured pre-petition claims and their proposed treatment under the Plan:

(3)(a) – Bank Loan

Wells Fargo Bank, N.A. – This creditor is owed \$153,768.06 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 5.25% interest at \$2,919.44 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

Wells Fargo Bank, N.A. will retain its valid and perfected lien against the property located at 419 Present Street, Missouri City, Texas 77489 ("Property") and Wells Fargo Bank, N.A. will retain its valid and perfected lien securing its claim until such time as the claim is paid in full, including post-petition interest. The Property is more specifically described as follows:

1.138 acres more or less being Reserve .. A" of Garmany Place, a subdivision in BBB & C RR Survey, A-118, Fort Bend County, Texas, according to the plat recorded under Slide 1418/B of the Plat Records of Fort Bend County, Texas.

SAVE AND EXCEPT:

A 0.0745 acre (3,246 square feet) tract of land in the B. B. B. & C. Survey, Abstract Number 118 in Fort Bend County, Texas, being a portion of Reserve" A" of Garmany Place subdivision as filed for record under Slide Number 1418B of the Fort Bend County Map Records same being a called 1.138 a~re tract of land described in Warranty Deed with Vendor's Lien from Garmany and Carden Funeral Directors, Inc. to the Funeral Home Company, executed October 2, 2000, as filed for record under Clerk's File Number 2000086751 of the Fort Bend County Deed Records (F.B.C.D.R), Fort Bend County, Texas, said 0.0745 acre tract is more particularly described as follows with all bearings based upon the Texas State Plane

Coordinate System, South Central Zone, NAD 83, based on published monuments along Highway 90, in the City of Stafford, provided by the Texas Department of Transportation, all coordinates are surface and were obtained by utilizing Real Time Kinematics Global Positioning Equipment;

COMMENCING at a 1 1/2 inch iron pipe called for the common west corner of said Reserve "A" and the west corner of said 1.138 acre tract and being on the northeasterly right-of-way line of Present Street;

THENCE, South 47°47'40" East, 221.20 feet along the common southwesterly line of said Reserve O Au, the southwesterly line of said 1.138 acre tract and the northeasterly right-of-way line of Present Street to a S/8 inch iron rod with cap stamped "Cotton Surveying0 set on the proposed northwesterly right-of-way line of Fifth Street for radial cutback corner, the point of curvature of a curve to the left and being the POINT OF BEGINNING of the herein described tract having coordinates of X-3,067,145.61, Y=13,787,575.31;

THENCE, in a northeasterly direction, along the proposed northwesterly right-of-way line of Fifth Street, with said radial cutback and with said curve to the left having a central angle of 89°46'07", a radius of 15.00 feet, an arc length of 23.50 feet and a chord bearing North 87°19' 16" East, 21.17 feet to a 5/8 inch iron rod with cap stamped n Cotton Surveying set for radial cutback corner and the point of tangency;

THENCE, North 42°26'13" East, 61.56 feet continuing along the proposed northwesterly right ... of-way line of Fifth Street to a 5/8 inch iron rod with cap stamped "Cotton Surveying" set for angle point;

THENCE, North 49°18'42" East, 89.12 feet continuing along the proposed northwesterly right-of-way line of Fifth Street to a 5/8 inch iron rod with cap stamped "Cotton Surveying" set for corner on the common northeasterly line of the aforesaid Reserve "A", the northeasterly line of the aforesaid 1.138 acre tract, the southwesterly line of Restricted Reserve "B0 of the aforesaid Garmany Place subdivision and the southwesterly line of a called 0.0207 acre tract of land described in Special Warranty Deed from Garmany and Carden Funeral Directors, Inc. to Fort Bend County Water Control and Improvement District Number 2, executed March 23, 1995, as filed for record under Clerk's File Number 9562877 of the F.B.C.D.R.;

THENCE, South 47°45'53" East, 11.85 feet along said common line to a 5/8 inch iron rod found for the common east corner of the aforesaid 1.138 acre tract, the east corner of the aforesaid Reserve "A", the south corner of 0.0207 acre tract and the south corner of the aforesaid Restricted Reserve "B" and being on the existing nt.t •westerly right-of-way line of Fifth Street;

THENCE, South 42°37'14" West, 164.93 feet along the common southeasterly line of said Reserve "A", the southeasterly line of said 1.138 acre tract and the northwesterly right-of-way line of Fifth Street to a 1 inch iron pipe found for the common south corner of said Reserve "A", the south corner of, said 1.138 acre tract and being on the aforementioned northeasterly right-of-way line of Present Street;

THENCE, North 47°47'40" West, 36.93 feet along the common northeasterly right-of-way line of Present Street, the southwesterly line of said Reserve "A" and the southwesterly line of said 1.138 acre tract to the POINT OF BEGINNING, containing 0.0745 acre of land in Fort Bend County, Texas as shown on the Fifth Street Right-of-Way Alignment Maps, drawing file number 5043, in the offices of Cotton Surveying Company in Houston, Texas.

AND FURTHER SAVE AND EXCEPT:

A 0.0107 acre (488 square feet) tract of land in the B. B. B. & c. Survey, Abstract Number 118 in Fort Bend County, Texas, being a portion of Reserve "A" of Garmany Place Subdivision as filed for record under Slide Number 1418B of the Fort Bend County Map Record same being a called 1.138 ac. tract of land described in Warranty Deed with Vendor's Deed from Garmany and Carden Funeral Directors, Inc. to the Funeral Home Company, executed October 2, 2000, as filed for record under Clerk's File Number 200008751 of the Fort Bend County Deed Records (F.B.C.D.R.), Fort Bend County, Texas, said .0107 acre tract is more particularly described as follows with all bearings based upon the Teas State Plane Coordinate System. South Central Zone, NAD 83, based on published monuments along Highway 90, in the City of Stafford, provided by the Texas Department of Transportation and was obtained by utilizing Real Time Kinematics Global Positioning Equipment:

COMMENCING at a 1 inch iron pipe found for the common south corner of said Reserve "A" end the south corner of said 1.38 acre tract and being at the intersection of the northeasterly right-of-way line of Present Street (called 60' wide) and the existing northwesterly right-of-way line of Fifth Street (called 60' wide):

THENCE, North 42°37'14" East, 164.93 feet along the common southeasterly line of said Reserve "A", the southeasterly line of said 1.38 acre tract and the northeasterly right-of-way line of said Fifth Street to a 5/8 Inch Iron rod with cap found for the south corner of Restricted Reserve "B" of the aforesaid Germany Place Subdivision and the south corner of a called 0.0207 acre tract of land described in Special Warranty Deed from Garmany and Carden Funeral Director, Inc. to Fort Bend County Water Control and Improvement District Number 2, executed March 23, 1995, as filed for record under Clerk's File Number 9562877 of the F.B.C.D.R.;

THENCE, North 47°46" West, 11.85 feet along the common northeasterly line of said Reserve "A", the northeasterly line of said 1.138 acre tract, the southwesterly line of said Restricted Reserve "B" and the southwesterly line of said 0.0207 acre tract to a 5/8 inch iron rod with cap stamped "Cotton Surveying" found for corner on the proposed northwesterly right-of-way line of Fifth Street (width varies) and being the POINT OF BEGINNING of the herein described tract;

THENCE, South 49°18'42" West, 25.23 feet along the proposed northwesterly right-of-way line of Fifth Street to a point for corner from which a 5/8 inch iron rod with cap stamped Cotton Surveying found for a angle point on the proposed northwesterly right-of-way line of Fifth Street bears South 49°18'42" West, 63.88 feet;

THENCE, North 47°45'53" West, 17.21 feet to a point for corner;

THENCE, North 42°37'14" East, 25.04 feet to a point for corner;

THENCE, South 47°45'53" East, at 2.00 feet pass the common west corner of said Restricted Reserve "B", the west corner of said 0.027 acre tract, a re-entrant corner of said Reserve "A" and a re-entrant corner of said 1.138 acre tract then along the common northeasterly line of said Reserve "A", the northeasterly line of said 1.138 acre tract, the southwesterly line of said Restricted Reserve "A" and the southwesterly line of said 0.0207 acre tract a total distance of 20.15 feet to the POINT OF BEGINNING, containing 0.0107 acre of land in Fort Bend County, Texas.

(3)(b) – Installment Loan

Ovation Servicing – This creditor is owed \$187,876.05 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 13.50% interest at \$2,426.89 per month in 183 monthly payments (payments 1 thru 182 in the amount of \$2,426.89 and payment 183 in the amount of \$2,426.66. with the first payment being due and payable on December 29, 2018 and the final payment being due and payable on February 28, 2034. Interest shall accrue as provided under applicable non-bankruptcy law.

Ovation Servicing will retain the contractual liens securing its claim until such time as the claim is paid in full, including post-petition interest. If the reorganized Debtor fails to timely make its required plan payments to Ovation Servicing or if the reorganized Debtor becomes delinquent with respect to any post-petition ad valorem property taxes owed to Ovation Servicing, the reorganized Debtor will be considered to have defaulted under the Plan as to Ovation Servicing. If the reorganized Debtor defaults under the Plan as to Ovation Servicing, Ovation Servicing may send a notice of the default (a "Default Notice") to the reorganized Debtor. If the reorganized Debtor does not cure the default within 20 days after receiving the Default Notice, Ovation Servicing may proceed to collect all amounts owed pursuant to state law without further recourse to the Bankruptcy Court. Once Ovation Servicing has sent three Default Notices to the reorganized Debtor on account of three occasions of default, Ovation Servicing will no longer need to send additional Default Notices to the reorganized Debtor. If the reorganized Debtor defaults again as to Ovation Servicing, Ovation Servicing may proceed to collect all amounts owed under state law without recourse to the Bankruptcy Court and without further notice.

(3)(c) – Ad Valorem Taxes

Fort Bend Independent School District – This creditor is owed \$8,515.72 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 12% interest at \$189.43 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following

the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

Fort Bend Independent School District will retain the statutory liens securing its claim until such time as the claim is paid in full, including post-petition interest. If the reorganized Debtor fails to timely make its required plan payments to Fort Bend Independent School District or if the reorganized Debtor becomes delinquent with respect to any post-petition ad valorem property taxes owed to Fort Bend Independent School District, the reorganized Debtor will be considered to have defaulted under the Plan as to Fort Bend Independent School District. If the reorganized Debtor defaults under the Plan as to Fort Bend Independent School District, Fort Bend Independent School District may send a notice of the default (a “Default Notice”) to the reorganized Debtor. If the reorganized Debtor does not cure the default within 20 days after receiving the Default Notice, Fort Bend Independent School District may proceed to collect all amounts owed pursuant to state law without further recourse to the Bankruptcy Court. Once Fort Bend Independent School District has sent three Default Notices to the reorganized Debtor on account of three occasions of default, Fort Bend Independent School District will no longer need to send additional Default Notices to the reorganized Debtor. If the reorganized Debtor defaults again as to Fort Bend Independent School District, Fort Bend Independent School District may proceed to collect all amounts owed under state law without recourse to the Bankruptcy Court and without further notice.

(3)(d) – Ad Valorem Taxes

Fort Bend County WCID #02 – This creditor is owed \$885.33 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney’s fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 12.00% interest at \$19.69 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

Fort Bend County WCID #02 will retain the statutory liens securing its claim until such time as the claim is paid in full, including post-petition interest. If the reorganized Debtor fails to timely make its required plan payments to Fort Bend County WCID #02 or if the reorganized Debtor becomes delinquent with respect to any post-petition ad valorem property taxes owed to Fort Bend County WCID #02, the reorganized Debtor will be considered to have defaulted under the Plan as to Fort Bend County WCID #02. If the reorganized Debtor defaults under the Plan as to Fort Bend County WCID #02, Fort Bend County WCID #02 may send a notice of the default (a “Default Notice”) to the reorganized Debtor. If the reorganized Debtor does not cure the default within 20 days after receiving the Default Notice, Fort Bend County WCID #02 may proceed to collect all amounts owed pursuant to state law without further recourse to the Bankruptcy Court. Once Fort Bend County WCID #02 has sent three Default Notices to the reorganized Debtor on account of three occasions of default, Fort Bend County WCID #02 will no longer need to send additional Default Notices to the reorganized Debtor. If the reorganized Debtor defaults again as to Fort Bend County WCID #02, Fort Bend County WCID #02 may proceed to collect all amounts owed under state law without recourse to the Bankruptcy Court

and without further notice.

(3)(e) – Ad Valorem Taxes

Fort Bend County – This creditor is owed \$7,483.27 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 12.00% interest at \$166.46 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

Fort Bend County will retain the statutory liens securing its claim until such time as the claim is paid in full, including post-petition interest. If the reorganized Debtor fails to timely make its required plan payments to Fort Bend County or if the reorganized Debtor becomes delinquent with respect to any post-petition ad valorem property taxes owed to Fort Bend County, the reorganized Debtor will be considered to have defaulted under the Plan as to Fort Bend County. If the reorganized Debtor defaults under the Plan as to Fort Bend County, Fort Bend County may send a notice of the default (a "Default Notice") to the reorganized Debtor. If the reorganized Debtor does not cure the default within 20 days after receiving the Default Notice, Fort Bend County may proceed to collect all amounts owed pursuant to state law without further recourse to the Bankruptcy Court. Once Fort Bend County has sent three Default Notices to the reorganized Debtor on account of three occasions of default, Fort Bend County will no longer need to send additional Default Notices to the reorganized Debtor. If the reorganized Debtor defaults again as to Fort Bend County, Fort Bend County may proceed to collect all amounts owed under state law without recourse to the Bankruptcy Court and without further notice.

(3)(f) – Installment Loan

Fora Financial Business Loans, LLC – This creditor is owed \$18,741.60 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 5.25% interest at \$355.83 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

(3)(g) – Returned Insurance Premium

Prime Rate Premium Finance – This creditor is owed \$617.89 as a secured creditor as of the petition date. If this creditor is over-secured at the time of confirmation, any post-petition interest and any post-petition attorney's fees and expenses will be subject to Court approval. The Debtor will pay this creditor in full with 5.25% interest at \$11.73 per month in 60 equal monthly payments with the first payment being due and payable on the first day of the first month following the 60th day after the effective date of the plan. Interest shall accrue as provided under applicable non-bankruptcy law.

These claims are impaired.

Class 4. Priority Unsecured Claims

Priority Unsecured Claims are not secured by property of the estate but are entitled to priority under § 507(a) of the Code. The following chart identifies the Plan's proposed treatment of Class 4, which contains priority unsecured claims against the Debtor: None.

Class 5. General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. The allowed unsecured claims will be paid 100% of their claims in 60 monthly payments. Their payments will be due and payable beginning on the 15th day of the first month following 60 days after the effective date of the plan.

These claims are impaired.

Class 6. Insider Claims

None.

Class 7. Equity Interest Holders

None.

ACCEPTANCE OR REJECTION OF PLAN

Each impaired class of Claims shall be entitled to vote separately to accept or reject this Plan unless that class receives no distribution under the Plan. Any class receiving no distribution is deemed to have rejected the Plan. Any unimpaired class of Claims shall not be entitled to vote either to accept or to reject this Plan and is deemed to have accepted the Plan. Each creditor should read this Plan and disclosure statement, then complete and return the attached ballot.

Your acceptance of the Plan is important. In order for the Plan to be deemed “accepted” by Creditors and holders of interests, at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Claims voting and fifty-one percent (51%) in number of Allowed Claims voting in each Class of Claims must accept the Plan. Whether or not you expect to be present at the hearing, you are urged to fill in, date, sign, and properly mail the Ballot for Accepting or Rejecting Liquidating Plan to James Q. Pope, Attorney for the Debtor, 5151 Katy Freeway, Suite 306, Houston, Texas 77007.

IF ANY CLASS REJECTS THE PLAN, THE DEBTOR MAY SEEK TO “CRAMDOWN” THE CONFIRMATION OF THE PLAN PURSUANT TO 11 U.S.C. ' 1129(b). THE BANKRUPTCY CODE ALLOWS THE DEBTOR TO REQUEST THE

COURT TO CONFIRM THE PLAN NOTWITHSTANDING THE REJECTION OF ANY CLASS OR CLASSES OF CREDITORS IF THE DEBTOR CAN DEMONSTRATE THAT

(i) THE PLAN DOES NOT DISCRIMINATE UNFAIRLY AND (ii) THE PLAN IS FAIR AND EQUITABLE WITH RESPECT TO EACH CLASS OF CLAIMS OR INTERESTS THAT IS IMPAIRED AND HAS NOT ACCEPTED THE PLAN. IN ORDER TO “CRAMDOWN” THE PLAN, THE DEBTOR WILL HAVE TO DEMONSTRATE TO THE BANKRUPTCY COURT AT A HEARING THAT THESE TWO STANDARDS HAVE BEEN SATISFIED. SUCH HEARING WOULD BE PART OF THE CONFIRMATION HEARING ON THE PLAN AND ALL CREDITORS MAY BE PRESENT AND WOULD HAVE AN OPPORTUNITY TO PARTICIPATE IN SUCH HEARING.

EXECUTORY CONTRACTS

Debtor does not have any executory contracts.

JURISDICTION OF THE BANKRUPTCY COURT

The Bankruptcy Court shall retain exclusive jurisdiction of the case after the Confirmation Date with respect to the parties to, and the subject matter of, this Plan and the Claims, applications, orders, damages, and other events as described in the Plan.

CONFIRMATION REQUIREMENTS AND PROCEDURES

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

Who May Vote or Object

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

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

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

1. What Is an Allowed Claim?

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

The deadline for filing a proof of claim was March 5, 2018.

2. What Is an Impaired Claim?

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

3. Who is Not Entitled to Vote?

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

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

Even if you are not entitled to vote on the Plan, you may have a right to object to the confirmation of the Plan.

4. Who Can Vote in More Than One Class?

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

Votes Necessary to Confirm Plan

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

1. Votes Necessary for a Class to Accept the Plan

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

2. Treatment of Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code, including the “absolute priority rule.” Under the absolute priority rule, the Court may confirm the Plan over the failure of a class to vote for the Plan provided that for a class of unsecured claims, the Plan must provide 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 the claim of the creditor, or 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. The Debtors believe that the Plan complies with the absolute priority rule in the Code.

A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

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

EFFECT OF CONFIRMATION

As provided for in Section 1141 of the Bankruptcy Code, the provisions of the Plan will bind the Debtor and any creditor under the Plan, whether or not the claim of the creditor is impaired under the Plan and whether or not the creditor has accepted the Plan. As provided for in Section 1141(b) of the Bankruptcy Code, confirmation of the Plan vests all of the property of the estate in the Debtor. After confirmation of the Plan, all property of the Debtor dealt with by the Plan (which includes all property of the Debtor) is free and clear of all liens, claims, and interests of creditors and equity security holders, except to the extent provided in this Plan. So long as the payments proposed by this plan are made by the Reorganized Debtor, no creditor may seek to collect any amounts from the Debtor that were owed prior to the filing of the chapter 11 case or are provided in this Plan.

Upon completion of all payments set forth in this Plan, the Debtor may request that its case be re-opened for the purpose of entering an order of discharge. After determination by the Court that the payments under the Plan have been made except for the priority claims of

the Internal Revenue Service, the Court may enter an order of discharge. Upon entry of an order of discharge, the Debtor will be discharged from any debt that arose before confirmation of this Plan to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged from any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or of (iii) of a kind specified in § 1141(d)(6)(B).

The rights afforded in the Plan will be in exchange for and in complete satisfaction, discharge, and release of all claims of any nature whatsoever occurring on or prior to the confirmation date, including any interest accrued thereon from and after the petition date, against Debtor and Debtor in Possession, or any of his assets or properties. Except as otherwise provided herein, upon the payment of the amounts provided in this Plan, in accordance with Section 1141 of the Code, all such claims against Debtor and Debtor in Possession shall be satisfied, discharged, and released in full. Except as otherwise provided herein, all creditors shall be precluded from asserting against the Debtor any other or further claim based upon any act or omission, transaction, or other activity of any kind or nature occurring on or prior to the confirmation date.

DISPUTED CLAIMS; OBJECTIONS TO CLAIMS

The Debtor may file an objection to any disputed Claim within sixty (60) days from the Effective Date of the Plan. Objections not filed within the foregoing time period shall be deemed waived, except to the extent that the grounds for the objection could not have been discovered prior to the expiration of the sixty (60) day time period. If an objection is filed to any claim, payments on the claim will not begin until after an Order of the Court allowing the claim has become final.

FEASIBILITY TO PERFORM AND IMPLEMENTATION OF THE PLAN

The Debtor believes this Plan is feasible. Although the Debtor has had difficulty paying its creditors pre-petition, the Debtor believes that by reorganizing its debts, to permit payment over a longer period of time, the Debtor will be able to continue operating as a funeral home and generate sufficient income to make the payments proposed in the Plan.

ALLOWANCE AND DISALLOWANCE OF CLAIMS

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

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

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

Claim Objections. The Debtor shall have 60 days from the Effective Date of the Plan to file objections to claims.

Vesting of Property. On the Effective Date, title to all assets and properties dealt with by the Plan shall vest in Reorganized Debtor, free and clear of all claims and interests other than any contractual secured claims granted under any lending agreement, on the condition that Reorganized Debtor complies with the terms of the Plan, including the making of all payments

to creditors provided for in such Plan. If Reorganized Debtor defaults in performing under the provisions of this Plan and this case is converted to a case under chapter 7, all property vested in Reorganized Debtor and all subsequently acquired property owned as of or after the conversion date shall re-vest and constitute property of the bankruptcy estate in the converted case.

Default. Any creditor remedies allowed by 11 U.S.C. § 1112(b)(4)(N) shall be preserved to the extent otherwise available at law. Unless otherwise specified in this Plan, a failure by the Reorganized Debtor to make a payment to a creditor pursuant to the terms of this Plan shall be an event of default as to such payments if the payment is not cured within thirty (30) days after mailing written notice of default from such creditor to the Reorganized Debtor.

GENERAL PROVISIONS

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

Effective Date of Plan. The effective date of this Plan is the fifteenth day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

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

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

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

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

Disputed Claims. All claims that were listed in the schedules as “disputed” required the filing of a proof of claim. If no proof of claim was timely filed, the claimant will not be paid under this Plan of Reorganization.

Late-Filed Claims. Any late-filed claims shall not be allowed claims, and shall not be paid under this Plan of Reorganization.

**FINANCIAL INFORMATION FILED WITH THE
COURT**

- A. Statements of Financial Affairs
- B. Schedules A through H, and Summary of Schedules
- C. Monthly Operating Reports

PLEASE BE ADVISED THAT THE FINANCIAL INFORMATION
ENUMERATED HEREIN IS AVAILABLE IN THE CLERK'S OFFICE OF THE UNITED
STATES BANKRUPTCY COURT, 515 RUSK, HOUSTON, TEXAS.

Dated: December 5, 2018

/s/ Michael "M.C." Brock, Sr.
Chief Executive Officer
Missouri City Funeral Directors
at Glenn Park, Inc., Debtor

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Counsel for the Debtor has made no independent investigation of the information contained herein.