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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In Re:	§	
	§	
Latter Rain Ministries,	§	Case No. 16-70014-rbk
	§	
Debtor.	§	Chapter 11 case
	§	
		Small Business Case under Chapter 11

**LATTER RAIN MINISTRIES FIRST AMENDED COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT**

August 1, 2016

This *First Amended Combined Plan and Disclosure Statement* is filed by the above-referenced Debtor.

Purpose of disclosure statement: The purpose of the disclosure statement component of this pleading is to enable the proponent of the plan of reorganization to comply with section 1125(a) of the Bankruptcy Code, which requires that the proponent of a plan disclose such information to creditors "of a kind, and in sufficient detail, as far as is reasonably practicable in the light of the nature and history of the Debtors and the condition of the Debtors' books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the plan." Therefore, by operation of law, the contents of this disclosure statement must represent the Debtors' affirmative statements that the representation of actual facts made by it are true to the best of their information, knowledge and belief.

Creditors should primarily analyze the information supplied to determine whether it would be in their best interest to accept the plan or reject it. In making this determination, creditors should take note of the importance of their actually voting either to accept or reject the plan. This is so because the Bankruptcy Code authorizes the bankruptcy court to confirm a chapter 11 plan of reorganization if it is accepted by all creditors if it is demonstrated to be feasible. If all classes of creditors accept the plan (by means of a majority vote of the *voting* members of the class whose claims constitute two-thirds or more in value of the outstanding total claims of all the *voting* members of the class), then the bankruptcy court may confirm the plan on a showing of the plan's feasibility and that dissenting creditors will receive as much under the plan as they would have received in a straight liquidation. If not all classes of creditors accept the plan, the plan may still be confirmed on the showing of its feasibility and that each creditor will receive under the plan at least as much as each would receive in a straight liquidation and that the

"absolute priority" rule is observed or waived. It is to be observed that at least one actually impaired class must in any case, affirmatively vote to accept the plan (by a majority of the voting creditors whose claims total at least two-thirds of all the claims of the voting class) or else the bankruptcy court may not confirm the plan. Further, creditors should observe that it is important for each of them to vote because the acceptance or rejection of classes is to be determined on the basis of the voting membership of each class. Nonvoting membership is ignored for the purpose of determining whether a majority of members who holds two-thirds or more of value of claims accepts the plan. A failure to vote will not be counted as a rejection of the plan. Each creditor will also doubtlessly be interested in the schedule of the payments to be made to each of them. Only after reviewing it, in Article IV below, can they be reasonably expected to determine whether they are being treated as the law requires.

BACKGROUND AND OVERVIEW OF DEBTOR

Latter Rain Ministries began in April 1992 when Pastor Craig DeArmond was called to open a church. Given his extensive background in praise and worship ministry through music, he and his wife felt the calling and acted upon it. From a small congregation to one that now is required to hold multiple services on Sunday coupled with Wednesday night and Friday night activities, the church has thrived.

In 2000, Latter Rain Christian School was established as a vision to provide students with a quality education in a Christian environment Latter Rain thrives to develop a firm foundation in our students spiritually, intellectually and socially to prepare them for their future. In addition to having educational classes for Pre K through 12th grade, the school also provides athletic activities to include, football, volleyball, basketball and cheerleading.

Due to Pastor Craig's dedication, he has been blessed with other ventures which help fund the activities at the church and school. In 2011, he was able to purchase a commercial property that was thought to be a new location for a new worship center and school. He has also been blessed with the ability to build and donate a parsonage for the church.

In June of 2015, one of his commercial lenders insisted on him presenting an "abundance of collateral" for his business venture based on the banker's representations and warranties that they would restructure his commercial debt Pastor Craig presented this opportunity to the board of directors of the church and they agreed. Pastor Craig presented the handwritten note from the bankers noting their intentions. However, upon presenting the Deed of Trust the banker and bank failed to restructure the debt and refused to release the collateral presented as required.

Latter Rain Ministries relies solely on tithing and contributions to fund its operations. It has rented out the commercial property which also generates income for the church.

Due to the misrepresentations of the bankers, Latter Rain was forced to seek protection under Chapter 11 in order to preserve its property and has every intention of continuing its payment obligations to its current creditors as the potential litigation is resolved with the commercial lender.

ARTICLE I SUMMARY

1.01 This Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Latter Rain Ministries, Inc. (the "Debtor") from cash flow from operations,

or future income.

1.02 This Plan provides for seven classes of secured claims; one class of unsecured claims; and one class of equity security holders. This Plan also provides for the payment of administrative and priority claims in full on the effective date of this Plan with respect to any such claim: the only claimants being Tarbox Law, P.C. and the Internal Revenue Service.

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

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01 Administrative Payments:

Tarbox Law, P.C. (attorneys), in the approximate balance of \$15,000. Actual amount to be approved by this Court.

- 2.02 Class 1. Federal Tax Claims of the **Internal Revenue Service**. Total Claim is \$38,914.61. Secured claims owed to the Internal Revenue Service in the amount of \$30,851.54. The unsecured claim of \$8,063.07 will be treated in the unsecured class.
- 2.03 Class 2. **Ector County Appraisal District** Property Tax Claims. Total claim: Secured claim consisting of ad valorem taxes in the amount of \$117,465.48.
- 2.04 Class 3. The claim of **First United Pentecostal** in the amount of \$65,000.00, secured by real property.
- 2.05 Class 4 The claim of **Marilyn Jones** and **Leon Willingham** in the amount of \$105,938.78, a first lien secured by real property.
- 2.06 Class 5 The claim of **Commercial State Bank** in the amount of \$664,184.87¹, secured by real property.
- 2.07 Class 6 Secured Claim of the **William A. Kennedy, Jr. Living Trust** in the approximate amount of \$147,453.03
- 2.08 Class 7 The claim of **Southwest Credit Union** in the amount of \$15,000.00 secured by a 2013 Ford Econoline 10-Passenger Van
- 2.09 Class 8 The claim of **West Texas Teachers Credit Union** in the amount of \$11,346.09,

¹ Claim arises from a loan made to Freedom Tank Rentals & Manufacturing, LLC which is secured by property owned by the Debtor.

secured by a 2012 Ford Econoline 10-Passenger Van

- 2.10 Class 9 The claim of **unsecured creditors**: totaling \$125,257.57 This class consist of one claimant: Asiatico & Associates, PLLC, aka Brooke Asiatica & Associates.

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

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

3.02 Priority Tax Claims. Each holder of a tax claim will be paid in full for the period set forth in this Plan (as described in Article IV).

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

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

Class	Impairment	Treatment
Administrative Claim of Tarbox Law, P.C. in the approximate amount of \$15,000 (such fees are to be determined and approved by the Bankruptcy Court).	not applicable	To be paid from retainer once Order approving compensation of attorney is entered.
<u>Class 1.</u> Priority claim of the Internal Revenue Service in the approximate amount of \$30,851.54.	Impaired	Debtor will not make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 53 monthly Plan payments of \$650.99 until the claim is paid in full. Monthly payments will be made on the 29 th of each month. Claimant will retain its lien on its collateral until the claim is fully satisfied. Interest accrues at 4.0%.

<p><u>Class 2.</u> Secured property tax claim of Ector County Appraisal District in the approximate amount of \$117,465.48.</p>	<p>Impaired</p>	<p>Debtor will not make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 53 monthly Plan payments of \$3,072.85 until the claim is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied. Interest accrues at 12.0%.</p>
<p><u>Class 3.</u> Secured claim (subject to any tax liens but ahead of all other liens) of First United Pentecostal Church of Odessa in the approximate amount of \$64,206.83, secured by a Church Building and real property located at Jackson Avenue Industrial, Block 1, Lots 1-5 (Latter Rain Worship Center) and College ADDN., Block 130, Lots 26-27 (Latter Rain Ministries Parking Lot), otherwise known as: 315 East 19th Street, Odessa, Texas 79762</p>	<p>Unimpaired</p>	<p>Debtor is paying on a 20 year note at \$864.08 per month. Debtor will continue making such monthly payment at the current amount until the debt is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied.</p>
<p><u>Class 4</u> Secured Claim (subject to any tax liens but ahead of all other liens) of Marilyn Jones and Leon Willingham in the approximate amount of \$105,938.78, secured by a commercial building having the legal description of Teepee Heights, Tract 24 Less S 20 of W 150 & N 75 of E 285.6 of Tract 25 (Card #20). Otherwise Known As: 4817 North Andrews Highway, Odessa, Texas 79762.</p>	<p>Impaired</p>	<p>Debtor will not make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 113 monthly Plan payments of \$1,212.16 until the claim is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied. Interest accrues at 5.0%.</p>

<p><u>Class 5</u> Secured claim (subject to any tax liens and subordinate to purchase liens) of Commercial State Bank in the approximate amount of \$664,184.87², secured by:</p> <p>a commercial building having the legal description of Teepee Heights, Tract 24 Less S 20 of W 150 & N 75 of E 285.6 of Tract 25 (Card #20). Otherwise Known As: 4817 North Andrews Highway, Odessa, Texas 79762, and</p> <p>a parsonage have the legal description of T-1-S BLK 41 SEC 09, Out of NE Part of W18.63 Acres of Tract 4, Otherwise Known As: 7880 E. Goldenrod Drive, Gardendale, Texas 79758</p>	<p>Impaired</p>	<p>Debtor will not make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 120 monthly Plan payments of \$7,373.81. Claimant will retain its lien on its collateral until the claim is fully satisfied. Interest accrues at 6.0%.</p> <p>A more detailed explanation of the Treatment of Class 5 is set forth below in Section 5.01 below.</p>
<p><u>Class 6</u> Secured Claim of the William A. Kennedy, Jr. Living Trust in the approximate amount of \$147,453.03, secured by land a mobile home having the legal description of T-1-S BLK 41 SEC 09 TRACT 3, Ector County, TX</p>	<p>Impaired</p>	<p>Debtor will no make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 233 monthly Plan payments of \$1,019.44 until the claim is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied. Interest accrues at 5.0%.</p>

² Commercial State Bank has acquired this lien from the Debtor to secure a debt owed by Freedom Tank Rentals & Manufacturing, LLC ("Freedom Tank"). Commercial State Bank has already seized the inventory of Freedom Tank. Although Freedom Tank believes the value of the inventory to be \$850,000, Debtor believes that Commercial State Bank will liquidate such inventory at a substantially lesser amount. For purposes of calculating the final claim of Commercial State Bank, the claim will be reduced by the net amount obtained from the liquidation of Freedom Tank's equipment, plus any other adjustments that may be applied.

<p><u>Class 7</u> Secured Claim of Southwest Credit Union in the approximate amount of \$15,000.00, secured by a 2013 Ford Econoline 10-Passenger Van.</p>	<p>Impaired</p>	<p>Debtor will no make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 53 monthly Plan payments of \$325.34 until the claim is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied. Upon full payment of the claim, the claimant will release its lien on the vehicle's title. Interest accrues at 5.0%.</p>
<p><u>Class 8</u> Secured Claim of West Texas Teachers Credit Union in the approximate amount of \$11,346.09, secured by a 2012 Ford Econoline 10-Passenger Van.</p>	<p>Impaired</p>	<p>Debtor will no make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 53 monthly Plan payments of \$246.09 until the claim is paid in full. Claimant will retain its lien on its collateral until the claim is fully satisfied. Upon full payment of the claim, the claimant will release its lien on the vehicle's title. Interest accrues at 5.0%.</p>
<p><u>Class 9</u> Unsecured creditors: The unsecured creditors are listed in the attached Exhibit "B", which total \$133,320.64.</p>	<p>Impaired</p>	<p>Debtor will no make payments for the first 7 months. Beginning Sept. 29, 2016, Debtor will pay 113 monthly Plan payments of \$1,379.68 until the claim is paid in full. Interest accrues at 3.0%.</p>
<p><u>Class 10</u> Debtor is a non-profit organization and has no owners. Craig DeArmond is a director of the Debtor.</p>	<p>Unimpaired</p>	<p>Craig DeArmond will retain his position as a director of the debtor.</p>

ARTICLE V
FURTHER DETAILS OF CLAIMS TREATMENT

5.01 Treatment of Class 5 Secured Claim of Commercial State Bank.

- (a) The Class 5 Secured Claim of Commercial State Bank (“CSB”) shall be in the amount of \$664,184.87. Payment of CSB’s secured claim is secured by a deed of trust dated June 12,2015, executed by the Debtor, as grantor, and naming CSB as beneficiary (the “CSB Deed of Trust”). The CSB Deed of Trust was recorded on June 16,2015 as document 2015- 0008912 in the Official Public Records of Ector County, Texas. The Class 5 Secured Claim of CSB shall be paid by the Debtor in one hundred twenty equal monthly installments of \$7,373.81 each, commencing on September 15,2016 and continuing each month thereafter through and including August 15,2026, at which time all unpaid principal and accrued but unpaid interest shall be due and payable. The Class 5 Secured Claim of CSB shall bear interest at the rate of six percent per annum. Each of the events of default described in the CSB Deed of Trust and each of the remedies available to CSB under the CSB Deed of Trust or the Texas Property Code shall apply in all respects with regard to the Class 5 Secured Claim of CSB, and the Debtor’s obligations under the Plan and this paragraph. CSB shall retain all liens and security interests in the Debtor’s property which existed as of the Petition Date, as more particularly described in the CSB Deed of Trust. In addition to the amount set forth above, CSB, pursuant to 11 U.S.C. § 506(b), shall be paid its attorney’s fees and expenses in an amount to be determined and allowed by the Court, upon the motion of CSB and after notice and a hearing.
- (b) The Debtor, Freedom Tank & Manufacturing, L.L.C., James Craig DeArmond, James Clayton DeArmond, Brent Sharp, and Carter County Resources, Inc. release and forever discharge CSB, its successors, affiliates, officers, directors, executives, employees, attorneys and representatives, from any and all claims, demands and causes of action that the Debtor, Freedom Tank & Manufacturing, L.L.C., Carter County Resources, Inc., James Clayton DeArmond, Craig DeArmond, or Brent Sharp has or claims to have, whether known or unknown, of whatever nature, that exist or may exist as of the entry of an order confirming the Plan. CSB releases and forever discharges James Craig DeArmond, James Clayton DeArmond, and Brent Sharp, their heirs, personal representatives, successors, and assigns, from any and all claims, demands and causes of action that CSB has or claims to have, whether known or unknown, of whatever nature, that exist or may exist as of the entry of an order confirming the Plan.
- (c) The net proceeds paid to CSB from sales of property owned by Freedom Tank & Manufacturing, L.L.C. or Carter County Resources, Inc., and which serves as collateral for those companies’ indebtedness to CSB, will be credited against the balance of CSB’s Class 5 Secured Claim. The managers and members of Freedom Tank & Manufacturing, L.L.C. shall cooperate fully with CSB in locating each item of equipment and other property owned by Freedom Tank & Manufacturing, L.L.C. which serves as the collateral for the indebtedness of Freedom Tank & Manufacturing, L.L.C. to CSB.
- (d) Debtor can prepay the outstanding balance due on the claim or make extra payments on the claim at any time without any penalty. Debtor can sell the bank’s collateral, only with CSB’s consent, and apply the proceeds of such sale to the CSB’s claim.

5.02 It is the Debtor's contention that it is still working with Ector County Appraisal District to resolve the amount of property tax it claims he Debtor owes, and therefore the Debtor reserves the right to contest the Claim of Ector County Appraisal District, including the filing of a law suit if necessary.

ARTICLE VI

DEFAULT PROVISIONS

6.01 Default Provisions for the Internal Revenue Service

- (a) The debt owed by the Debtor to the Internal Revenue Service ("IRS") is a Non-Dischargeable debt, except as otherwise provided for in the Code, and that if the Debtor defaults, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default; the federal tax liens survive the plan confirmation, a bankruptcy discharge, and dismissal of the case. The Liens continue to be enforceable against all of the debtor's property under federal law.
- (b) The failure by the Debtor to make a payment to the Internal Revenue Service pursuant to the terms of the Plan and/or failure to remain current on filing and paying post-confirmation taxes, shall be an event of default, and as to the Internal Revenue Service, there is an event of default if payment is not received by the 29th day of each month. If there is a default, the Internal Revenue Service must send written demand for payment, and said payment must be received by the Internal Revenue Service within 15 days of the date of the demand letter. The Debtor can receive up to three notices of default from the Internal Revenue Service; however, on the third notice of default from the Internal Revenue Service the third notice cannot be cured, and the Internal Revenue Service may accelerate its allowed claim(s), past and future, and declare the outstanding amount of such claim(s) to be immediately due and owing and pursue any and all available state and federal rights and remedies. These default provisions pertain to the entire claim(s) of the Internal Revenue Service, secured, unsecured priority and unsecured general.
- (c) The IRS is bound by the provisions of the confirmed plan and is barred under 11 USC 1141 from taking any collection actions against the debtors for prepetition claims during the duration of the Plan (provided there is no default as to the IRS). The period of limitations on collection remains suspended under 26 USC 6503 (h) for the tax periods being paid under the Plan and terminates on the earlier of (1) all required payments to the IRS have been made; or (2) 30 days after the date of the demand letter (described above) for which the debtor failed to cure the default.

6.02 Default Provisions for all other Parties

In the event of any failure of the reorganized Debtor to timely make its required plan payment to the Claimants, which shall constitute an event of default under the Plan as to any Claimants, the respective Claimant shall send notice of such default to the reorganized Debtor. If the default is not cured within twenty (20) days of the date of such notice, the Claimants are only required to send two (2) notices of default, and upon the third event of default, the Claimants may proceed to collect all amounts owed under state law without recourse to the Bankruptcy Court and without further notice.

ARTICLE VII
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts:

Name of Other Parties to Lease or Contract	Description of Contract or Lease
Chan Chung 4817 North Andrews Highway Odessa, TX 79762	Game Room located in Commercial Building at 4817 North Andrews Highway, Odessa, Texas 79762 \$3,500.00 Paid Monthly to Latter Rain Ministries
Swift Services c/o Richy Ramos 4817 North Andrews Highway Odessa, TX 79762	Swift Services located in Commercial Building at 4817 North Andrews Highway, Odessa, Texas 79762 \$2,100.00 Paid Monthly to Latter Rain Ministries
Verizon Wireless P.O. Box 660108 Dallas, TX 75226-0108	Cell Tower located at 4817 North Andrews Highway, Odessa, Texas 79762 \$399.30 Paid Monthly to Latter Rain Ministries

(b) The Debtor will be conclusively deemed to have rejected all other executory contracts

and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than twenty (20) days after the date of the order confirming this Plan.

ARTICLE VIII
MEANS OF IMPLEMENTATION AND LIQUIDATION ANALYSIS

8.01 Attached as Exhibit "A" is the Debtor's Cash Flow Projections for the years 2016 to 2018. It is anticipated that future years will show a gradual increase in Debtor's annual net income. The attached projections show that Debtor can continue to operate and make its proposed Plan payments.

8.02 Liquidation Analysis

Section 1129(a) of the Bankruptcy Code states that the Bankruptcy Court may confirm a plan of reorganization only if certain requirements are met. One of the requirements is that each non-accepting holder of an allowed claim or interest in an impaired class must receive or retain under the plan on account of such claim or interest, property having a value as of the effective date of the plan at least equal to the value that such holder would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on the effective date.

The following is an analysis which assumes a hypothetical Chapter 7 liquidation in which a chapter 7 trustee would have liquidated all of the assets of the Debtor. Such values are estimates only.

Description	Value	Liens	Net Value
Real Property:			
Church Building	\$634,952.00	\$64,206.83	\$570,745.17
Parsonage	\$1,658,683.00	\$327,219.00	\$1,331,464.00
Land & Mobile Home	\$160,154.00	\$147,453.03	\$12,700.97
Commercial Building	\$527,219.00	\$105,938.78	\$421,280.22
		plus same lien on parsonage	
Personal Property			
Bank & Security Deposits	\$404.04	none	\$404.04
Note Receivable	\$10,000.00	none	\$10,000.00
Office & Church Furniture	\$6,000.00	none	\$6,000.00
TV's, Computers Cameras, etc.	\$3,500.00	none	\$3,500.00
2013 Ford Econoline	\$30,000.00	\$15,000.00	\$15,000.00
2012Ford Econoline	\$20,000.00	\$11,346.09	\$8,653.91
Total:	\$3,050,912.40	\$671,163.73	\$2,379,748.31
Less:			
Estimated Ch. 7 Professionals' Fees & Expenses		\$10,000.00	
Estimated Ch. 7 Trustee's Fees & Expenses		\$30,000.00	
Ad Valorem Taxes		\$117,465.48	
Federal Taxes		\$52,974.94	
Total:		\$210,440.42	

Estimated available for Unsecureds in Ch. 7 case: \$2,169,307.89.

It appears that there are sufficient assets to pay all claimants in full.

ARTICLE IX
GENERAL PROVISIONS

9.01 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.

9.02 Effective Date of Plan. The effective date of this Plan is the twentieth business 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.

9.03 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.

9.04 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.

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

9.06 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.]

9.07 Administrative Claims. Administrative claimants consist of the claims of the Debtor's professionals retained to work in this case.

9.08 Secured Claims. A secured claim is a claim that gives the creditor a lien against the debtor's property to be paid to cover the amount owed. A lien is an interest in real or personal property securing a debt.

9.09 Unsecured Claims. Unsecured claims are those where the lender can't reclaim property. These creditors lent or advanced money based only on the debtor's promise to pay. Examples of unsecured claims would be claims derived from credit cards, medical bills, and suppliers.

9.10 Petition Date: January 29, 2106.

ARTICLE X
NO DISCHARGE OF DEBTOR

10.01 No Discharge. In accordance with § 1141(d)(3) of the Code, the Debtor will not receive any discharge of debt in this bankruptcy case.

ARTICLE XI
OTHER PROVISIONS

11.01. Does the Debtor Have Enough Money and Earnings to Make the Payments Called for in the Plan?

Yes. The Debtor will pay its loans from its business operations.

11.02 Are There Any Alternatives to This Plan?

The only alternative is liquidation. All creditors would most likely be paid in full if the case was liquidated. Nevertheless, the Debtor intends to pay its claimants in full, plus interest, through its plan.

11.03 Is There Any Risk That the Plan Might Not Succeed?

Yes. The Debtor cannot predict the future, but it believes it can make the proposed plan payments.

11.04 Are There Any Tax Effects of This Plan?

- A. Tax Effects for the Debtor: The Debtor does not believe that this plan creates any special tax consequences.
- B. Tax Effects to Creditors: Creditors should consult with their own tax advisor.

11.05 Debtor's Obligation to the U.S. Trustee

During the pendency of this bankruptcy case, the Debtor will comply with all regulations promulgated by the Office of the U.S. Trustee, including remaining current on all quarterly fees assessed against the estate by the U.S. Trustee.

11.06 What to Do for More Information?

Creditors should talk with a lawyer about their rights and responsibilities in this case. Creditors should have their lawyers call the lawyer for the Debtor. The Debtor's lawyer is:

Max R. Tarbox
Tarbox Law, P.C.
2301 Broadway
Lubbock, Texas 79401
(806) 686-4448 Fax: (806) 368-9785
max@tarboxlaw.com

If a Creditor does not have a lawyer but still wants more information, that Creditor can call the Debtor's lawyer directly. However, remember that the Debtor's lawyer cannot give creditors legal or financial advice because the Debtor's lawyer represents the Debtor, not creditors.

11.07 **Attached is a copy of the Debtor's latest Monthly Operating Report.**
See attached Exhibit "B."

Dated: August 1, 2016

Respectfully submitted,

By: /s/ James Craig DeArmond

James Craig DeArmond
Director of
Latter Rain Ministries, Inc.
The Plan Proponent

By: /s/ Max R. Tarbox

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