

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:	§	Chapter 11
	§	
SUPERIOR HOSPICE OF MCALLEN, LLC,	§	Lead Case No. 18-50600
	§	
SUPERIOR HOME HEALTH SERVICES, LLC	§	Second Case No. 18-50597
	§	
SUPERIOR HOME HEALTH OF EAGLE PASS, LLC,	§	Third Case No. 18-50598
	§	
SUPERIOR HOME HEALTH OF SAN ANTONIO, LLC,	§	Fourth Case No. 18-50599
	§	
SUPERIOR HOSPICE OF DEL RIO, LLC	§	Fifth Case No. 18-50601
	§	
SUPERIOR HOSPICE, LLC,	§	Sixth Case No. 18-50602
	§	
Jointly Administered Debtors	§	Jointly Administered Under
	§	18-50600

**DEBTORS' FIRST AMENDED JOINT DISCLOSURE STATEMENT TO PLANS OF
REORGANIZATION**

The disclosure statement and the plans of reorganization contain provisions whereby guarantors of certain prepetition debts shall receive releases of the guarantees upon completion of all payments related to the certain debts under the plan. Consult the plan treatment for your debt to determine whether the guarantor of your debt shall be released after the debt is paid according to the plan.

INTRODUCTION

Superior Hospice of McAllen, LLC ("McAllen"), Superior Hospice, LLC ("Hospice"), Superior Home Health Services, LLC ("Superior"), Superior Home Health of San Antonio, LLC ("San Antonio"), Superior Home Health of Eagle Pass, LLC ("Eagle Pass"), and Superior Hospice of Del Rio, LLC ("Del Rio") ("Debtors" or "Debtors-in-Possession") file this Debtors First Amended Joint Disclosure Statement to Plans of Reorganization

On March 16, 2018, Debtors filed voluntary Petitions under Chapter 11 of the U.S. Bankruptcy Code. Since the Petition Date, the Debtors have continued to operate as Debtors in Possession pursuant to the provisions of sections 1107 and 1108 of the Bankruptcy Code.

This Disclosure Statement to Plans of Reorganization (hereinafter "Disclosure Statement") has been prepared by the Debtors pursuant to Section 1125 of the Bankruptcy Code, which requires that creditors receive a written disclosure statement containing sufficient information about the Debtors to enable creditors to make an informed and intelligent decision regarding each debtors respective Plan of Reorganization (hereinafter "**Plan**" or "**Plans**"). Prior to the solicitation of your vote on the Plans, and as required by the Bankruptcy Code, the Bankruptcy Court has approved this Disclosure Statement as containing adequate information about the Debtors.

In addition to this Disclosure Statement and accompanying Plan, you will also receive an order of the Court setting the hearing on the confirmation of the Plan and establishing deadlines for casting your vote or filing objections to confirmation. Mailing instructions are included in your Ballot. YOUR VOTE IS IMPORTANT. In order for each Plan to be accepted, at least two-thirds (2/3's) in amount and one-half (1/2) in number of the voting creditors in each class must affirmatively vote for each respective Plan. Even if all classes of claims accept the Plan of a particular Debtor, the Bankruptcy Court may refuse to confirm the Plan for that Debtor. Among other things, Section 1129 requires that the Plan be in the best interests of the creditors and other parties in interest, and generally requires that the holders of the claims not receive less than would otherwise be realized if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

In appropriate circumstances, the Bankruptcy Court may confirm a Plan even though less than all of the classes of claims accept the Plan. The circumstances warranting confirmation notwithstanding the vote of a dissenting class or classes of creditors are set forth in Section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, the Order of Confirmation, or Section 1141(d), confirmation of the Plan will discharge the Debtor from all of its debts. Confirmation makes the Plan binding on the Debtor and all of its creditors, regardless of whether or not they have accepted the Plan.

A. The Debtors

1. General

Belinda Juarez, RN BSN is the majority owner of Chief Executive Officer for six entities, including Debtors that are all in Chapter 11. These companies combined have approximately 131 employees.

Ms. Juarez began her career path in nursing out of a desire to help others give back to her community. To attain this goal, she sought a nursing degree and graduated with honors from the University of Texas Pan American in 2001 as a Registered Nurse. After working a number of years in hospital and home health settings she decided to open her first home health agency.

In 2004, with a strong and work ethic and determination she founded her first home health agency in McAllen Texas, expanding to the Brownsville area a year after. With a solid view and foundation in health care, she knew it was time to expand. Belinda ventured and opened three additional home health agencies and branches within a three-year span. Currently servicing patients in Texas and Nevada with a territory of 31 counties and over 427 cities.

In 2011, recognizing the need for transitional care for patients with terminal illnesses in several Texas communities, three certified and accredited hospice companies were formed in McAllen, San Antonio, and Del Rio, Texas. Today, all hospice, home health, and consulting companies service over 700 patients with a holistic approach to patient-centered care.

In 2017, Medicare opened an audit over Superior Home Health Services, LLC, that ultimately resulted in a payment back to Medicare of approximately \$27,000, which is a very small audit deviation. However, from August 2017 until late February 2018, Medicare withheld payments to this entity of approximately \$650,000. While not receiving any Medicare payments, the entity was still required to provide services to its patients. The remaining entities were tasked with helping pick up the slack and fell behind on their 941 tax payments to the IRS. The IRS then began intercepting Medicare payments which caused the entities to fall further behind. Ms. Juarez attempted to keep the entities afloat by taking out high interest cash loans. The positive Medicare audit finally, recently released funds; however, the IRS attached those funds. Ultimately, the combination of the IRS attaching funds and the high interest loans have forced the entities into chapter 11 bankruptcy.

The entities are generally very profitable and would not have needed to seek chapter 11 protection save for the Medicare and IRS issues discussed above. Filing the bankruptcy caused a significant disruption to operations and a drop in patient census. After filing the bankruptcy, the Eagle Pass and San Antonio Home Health Entities combined lost 33% of their patients as shown on Exhibit D, the home health care companies' census history. But also as shown in Exhibit D, since the census' bottomed out for these entities in April, by the end of June they have recovered almost 50% of their losses. There is about a 90 day lag between the time the census increases and the time the Debtors will see an increase in revenue. Debtors are confident that the proformas listed in Exhibits B1-B6 accurately reflect the revenue that can be expected when plan payments begin in December 2018 and January 2019.

Debtors' assets are listed in the attached Exhibits "C1 – C61"

B. The Plan Proponents

The Debtors are the Plan Proponents in this case.

C. The Disclosure Statement

Pursuant to Section 1125(b) of the Bankruptcy Code (Title 11 of the United States Code, hereinafter referenced as 11 U.S.C. section number), a precondition to solicitation of acceptances and rejections of a Plan of Reorganization from holders of claims or interests in the bankruptcy estate is that the holders be furnished with a copy of the Plan or a summary of the Plan and a written Disclosure Statement which contains "adequate information".

"Adequate information" means:

¹ Note that Superior Hospice of McAllen's schedules incorrecion show receivables in excess of \$500,000. The receivables at the time the case was filed were approximately \$87,000 and Debtor is preparing an amendment.

information of a kind, and in sufficient detail, as far as is reasonably practicable in 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, but adequate information need not include such information about any other possible or proposed Plan.

11 U.S.C. 1125(a)(1).

Whether or not a disclosure statement contains adequate information is determined by the Court upon notice and hearing. 11 U.S.C. § 1125(b). All parties in interest may participate in this determination. After the disclosure statement is approved by the Court, a hearing will be set on confirmation of the Plan and a Plan package which includes copies of the Order Approving Disclosure Statement, Plan, this Disclosure Statement and Ballot will be sent to the parties entitled to vote on the Plan.

D. Chapter 11

Chapter 11 is a portion of the Bankruptcy Code which provides a business with protection from their creditors while it seeks to reorganize their business affairs, including the repayment of their debts. The terms of the proposed reorganization are embodied in a Plan of Reorganization. While the Bankruptcy Code gives the Debtors many aids in the reorganization of their financial affairs, these aids are balanced with rights and protections afforded to creditors. Confirmation of a Plan of Reorganization is the objective of the Debtors in a Chapter 11 Reorganization Case. Performance of the confirmed Plan is the objective of the Debtors. The Plan is the terms by which the claims against and interests of the Debtors are satisfied.

E. The Process of Confirmation

1. Hearing on Confirmation. Confirmation of a Plan is simply approval by the Court. This approval is sought by the Plan proponent at the hearing on confirmation. In order to obtain approval of the Court, the Plan proponent must show that the Plan meets all requirements for confirmation.

2. Requirements for Confirmation. The requirements for confirmation are listed in 11 U.S.C. § 1129(a). These requirements are part of the balancing of rights and aids between the Debtors and its creditors. Certain of the requirements for confirmation necessitate the solicitation of ballots from the holders of claims against and interests in the Debtors indicating either their acceptance or rejection of the Plan. Section 1129(a) does not require that each and every holder of a claim against or interest in the Debtors vote to accept the Plan in order for it to be confirmed by the Court. First, only those holding claims or interests which are in classes which are impaired are entitled to vote. Impairment is defined in 11 U.S.C. § 1124.

Impairment basically means an alteration of the legal, equitable or contractual rights of the holder of the claim or interest. The Plan proponents must assert in the Disclosure Statement whether or not each class is deemed by them to be impaired. The proponents' conclusion may be

disputed by a creditor and the dispute resolved by the Court. If a Plan impairs or changes the rights of any creditor, it must be accepted by at least one Class of impaired claims. Second, only those ballots that are properly completed and timely delivered are counted. Third, of those voting in each class, only a majority of the claims in number and at least two-thirds (2/3) in amount are needed for the acceptance of the Plan by that class.

Even if all Classes of claims and interests accept the Plan, its confirmation may be denied by the Bankruptcy Court for the failure to meet some other requirement of Section 1129 of the Bankruptcy Code. Among those requirements is one that the Plan is in the best interest of claim holders and interest holders. That generally requires that the value to be distributed to claimholders and interest holders may not be less than such parties would receive if the Debtors were liquidating under Chapter 7 of the Code.

3. Cramdown: The Court may confirm a Plan even though a class of claims or interest holders rejects the Plan. Confirmation of a Plan over the rejection by one or more classes of claims or interests is generally referred to as "cram down". In order for the Plan to be confirmed in spite of the rejection by a class of claims or interests, the proponent of the Plan must show that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan.

Section 1129(b)(2) provides that the following standards are among the issues to be considered in determining whether the Plan is "fair and equitable" with respect to a particular class:

Secured Claims. The Plan is fair and equitable with respect to each class of secured claims if it provides that either:

1. The holders are to retain their lien, whether the collateral is retained by the Debtors or transferred to another entity, to the extent of the allowed amount of their secured claim, and are to receive deferred cash payments totaling not less than the allowed amount of their claims and having a present value of not less than the value of the collateral or, in the alternative, secured creditors must receive their collateral in satisfaction of new secured claims.

2. The collateral is to be sold in a sale permitting the holder to "bid in" free and clear of holder's lien, with such lien to attach to the proceeds of such sale, and the treatment of the lien on such proceeds under either clause (1) or (3) hereof; or

3. The holders are to receive the "indubitable equivalent" of their claims.

Unsecured Claims. The fair and equitable requirement in the context of a class of unsecured claims requires that either:

1. The holders are to receive property with a present value equal to the allowed amount of their claims; or

2. No holders in a class junior to the rejecting class are to receive any property.

I. REPRESENTATIONS

The statements contained in this Disclosure Statement are made as of the date of this Disclosure Statement unless another time is specified. Except as stated herein, no other representations concerning the Debtors, its business operations, the value of its property, or the value of any benefits offered to you in the Plan are authorized. **Any representations or inducements which are contrary to the information contained in this disclosure statement should not be relied upon by you in arriving at your decision**, and such representations or inducements and their origin should be immediately reported to Ronald J. Smeberg, The Smeberg Law Firm Counsel for the Debtors, 2010 West Kings Highway, San Antonio, Texas 78201; Telephone: (210) 695-6684.

The debtors and their counsel have made every effort to ensure that the information contained in this disclosure statement is accurate. We cannot, however, warrant that all of the data is completely accurate, though we feel it is materially accurate to our best knowledge, information and belief. The information in this disclosure statement has not been subject to an independent audit, and financial information has been based upon our internal records. If any statements of financial matters were made by third-party accounting professionals accompany this disclosure statement, they will contain a disclaimer required of unaudited financial information. Further, you should not construe the bankruptcy court's approval of this disclosure statement as an endorsement of the plan or a guaranty of the accuracy or completeness of the information presented herein.

The Debtors have expended considerable time in devising a Plan which it believes to be financially feasible and fair to its creditors. Consequently, the Debtors urge you to vote for acceptance of the Plan.

II. INFORMATION CONCERNING THE DEBTORS

A. Results of Operations as Debtors in Possession

The Debtors have continued to successfully operate their business and pay their post-petition plan obligations.

B. Estimated Future Income and Expenses

The Debtors have attached as Exhibits "B1 – B6", proformas they have prepared that show how projections for its finances the next several years.

The Debtors' pro-forma financial statements attached as Exhibits "B1 – B6" accurately and fairly project the Debtors' future income and expenses.

C. Future Management of the Debtors

The Debtors will continue to manage their financial affairs as they did prior to the bankruptcy filing as a part of their respective Plans of Reorganization. The Debtors will be able to make monthly plan payments with money generated by home health and hospice businesses.

Belinda Juarez shall continue to be the president and CEO of all 6 entities.

D. Summary of the Plan

Debtors shall generally pay non-governmental secured lenders 7% interest on their loans unless otherwise stated in the Plan. The duration of the secured loan payouts shall be in accordance with the stated plan treatment for each creditor.

Debtors shall pay property taxes currently due and payable as of January 2019 in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate.

Debtors shall pay past due federal income taxes in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate in effect on the confirmation date, currently 5%.

Debtors shall pay past due Texas Work Force Unemployment taxes in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate in effect on the confirmation date.

Debtors shall pay Texas priority comptroller claims in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate in effect on the confirmation date.

Debtors shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments over 60 months. The first payments shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter.

Unless otherwise provided, Debtors shall pay unsecured priority employee claims for wages 100% at the federal judgment rate of interest in 12 monthly installments. The first payment shall be made the first day of the first month to occur 60 days after the effective date and subsequent payments shall be made the first day of each calendar month.

Unless otherwise provided, Debtors had supplied medical insurance to its employees with the employees contributing a portion of the premiums for the medical insurance. Debtors allowed the insurance to lapse causing medical claim ("Medical Claims") incurred by employees to be denied. For Medical Claims denied solely related to lapse in premium payment, Debtors shall subrogate for the insurance carriers for their respective employees and negotiate and pay each claim. Employees shall be required to pay their contractually obligated deductibles, copays, coinsurance and any other fees or costs they would have been required to pay had the insurance not lapsed. Any claims that would have been denied by the insurance carrier or reduced by the insurance carrier may be denied or reduced by the respective Debtor and Debtor shall inure to the benefit of all rights and defenses held by the insurance carrier. All medical claims shall be resolved within 24 months of the effective date, unless litigation is necessary to resolve a particular claim. Any claim not resolved within 24 months of the effective date and for which no litigation has been initiated to resolve the claim, shall be paid to the provider in full. The Medical Claims are deemed priority employee benefit claims pursuant to Section 507(5)(B) of the Bankruptcy Code.

Belinda Juarez, RN BSN is the equity holder and shall retain her interests in Debtors.

III. ANALYSIS AND VALUATION OF PROPERTY

A. Real and Personal Property

The Debtors have attached Exhibit “C1 – C6” which are each respective Debtor’s Schedule A/B – Real and Personal Property filed by the Debtors with the Court.

B. Liquidation Analysis

Debtors’ value is in their ability to operate and generate cash flow. Debtors’ schedules attached as Exhibit C1 – C6 show Debtors assets as of the filing date. Exhibit F shows Debtors’ current receivables, cash on hand, and value of assets compared to the secured/priority claims and unsecured claims. Exhibit F shows that in a liquidation, the unsecured class would receive no dividend.

Compared to the substantial secured and priority Debt discussed in the claims below, it is very clear that a liquidation would not provide for any dividend in to the unsecured creditors for any of the Debtors. Therefore a performing plan is a much better option for repaying unsecured creditors who will receive 100% under the plan at the judgment rate of interest.

IV. SUMMARY OF PLAN OF REORGANIZATION

A. Administrative Expenses

Administrative Expenses: Although not classified, the professionals who have provided services to the Debtors during the pendency of this Chapter 11 case are entitled to administrative claim treatment. These claims do not include other administration priority claims allowed under 11 U.S.C. § 503. Those will be paid in the ordinary course as priority claims under 11 U.S.C. § 507(a) but to the extent they may not be paid in the ordinary course of business they are listed here. The estimated amount of such claims is as follows:

Smeberg Law Firm, PLLC. (Attorneys)	\$70,000.00
US Trustee	\$30,000.00
Total Estimated Admin Claims	\$100,000.00

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and

expenses of administration of the Debtors' Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtors are moderate for a case of this size.

B. Classification and Treatment of Governmental Claims

1. Non Ad Valorem Secured and Unsecured Priority Claims

a. Internal Revenue Service. The IRS filed proofs of claims in each respective Debtor's case for priority or secured claims as follows:

i. Superior Home Health Services

Filed Claim No. 3 Internal Revenue Service \$380,106.46

ii. Superior Home Health of Eagle Pass

Filed Claim No. 6 Internal Revenue Service \$560,101.83

iii. Superior Home Health of San Antonio

Filed Claim No. 2 Internal Revenue Service \$512,932.71

iv. Superior Hospice of McAllen

Filed Claim No. 1 Internal Revenue Service \$236,449.21

v. Superior Hospice of Del Rio

Filed Claim No. 1 Internal Revenue Service \$142,460.81

vi. Superior Hospice

Filed Claim No. 1 Internal Revenue Service \$215,081.47

vii. The Debtors shall pay their respective IRS claims in equal monthly installments within 60 months of the petition filing date at the statutory interest rate on the date the case is confirmed. The first payment shall be due the first day of the month to occur 30 days after the effective date with subsequent payments due the 1st day of each following month for all hospice companies and Superior Home Health of Eagle Pass. Payments shall begin 120 days from the Effective date of the Plan for the remaining two debtors.

- viii. Debtors shall have thirty (30) days from the Effective Date to object to the IRS claims; otherwise, such claims are deemed as an allowed secured or priority claim in the amount of the IRS' filed Proof of Claim consistent with the treatment of each tax account under this Plan.
- ix. The secured and unsecured priority debts owed by the Debtors to the Internal Revenue Service (IRS) are Non-Dischargeable debts, except as otherwise provided for in the Code, and that if the Debtors default, 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 debtors' property under federal law.
- x. A failure by the Debtors 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 15th 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. Each 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.
- xi. 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.
- xii. The Internal Revenue Service will agree to withhold collections of the trust fund recovery penalty assessment against the responsible persons during the duration of the Plan (provided there is no default as to the IRS). This agreement only encompasses the tax periods involved in and provided for under the confirmed plan. The forbearance of collection efforts by the Internal Revenue Service

does not preclude any action by the IRS to file liens or otherwise to proceed with investigation, assessment or perfection of a security interest against the responsible persons as permitted under federal and state law. The IRS will withhold collection efforts against responsible persons and the period of limitations on collection will be suspended under 26 U.S.C. 6503(h) for the trust fund periods and until the earlier of (1) all required payments to the Internal Revenue Service have been made under the Plan; or (2) ten (10) days after the date of the demand letter (described above) for which the debtor failed to cure the default.

- xiii. The Debtor must remain current with respect to all post-petition federal tax liabilities, including, but not limited to making timely federal tax deposits, the timely filing of tax returns and payment of all tax liabilities as required by applicable law during the term of the Plan. Failure to remain current with respect to one or more post-petition federal tax liabilities shall constitute an event of default under the Plan; however, the Bankruptcy Court shall have no jurisdiction over any tax issues arising after the date of confirmation. There will be no automatic stay or post-confirmation injunction with regard to federal tax liabilities accrued after the Petition Date (March 16, 2018), and the IRS shall be free to collect any such liabilities in accordance with the provisions of Title 26 of the United States Code and other applicable law.
- xiv. To the extent the Debtor has made, or makes in the future, any overpayment of post-petition taxes, post-petition over payments of federal taxes may be setoff against any post-petition federal tax liabilities as allowed by applicable law.
- xv. Federal Tax Liens survive plan confirmation and continue to attach and be enforceable against all property of the Debtor. Federal Tax Liens will be released when the liability is satisfied or when the Debtor makes all payments to the IRS pursuant to the plan, whichever occurs first.

b. Texas Workforce Commission.

- i. The Texas Workforce Commission (“TWC”) filed the following claims in Debtors’ cases:

- ii. Superior Home Health Services
 - Filed Claim No. 6 Texas Workforce Commission \$20,308.05
 - Filed Claim No. 14 Texas Workforce Commission \$1,106.082
- iii. Superior Home Health of Eagle Pass
 - Filed Claim No. 4 Texas Workforce Commission \$7,157.20
 - Filed Claim No. 11 Texas Workforce Commission \$1,140.993
- iv. Superior Home Health of San Antonio
 - Filed Claim No. 3 Texas Workforce Commission \$6,177.88
 - Filed Claim No. 7 Texas Workforce Commission \$810.224
- v. Superior Hospice of McAllen
 - Filed Claim No. 2 Texas Workforce Commission \$2,907.45
- vi. Superior Hospice of Del Rio
 - Filed Claim No. 2 Texas Workforce Commission \$2,188.74
 - Filed Claim No. 5 Texas Workforce Commission \$208.695
- vii. Superior Hospice
 - Filed Claim No. 2 Texas Workforce Commission \$2,855.28
 - Filed Claim No. 8 Texas Workforce Commission \$447.796
- viii. The Debtors shall pay their respective Texas Workforce Commission Claims in equal monthly installments within 60 months of the petition filing date at the statutory interest rate on the date the case is confirmed. The first payment shall be due the first day of the month to occur 30 days after the effective date with subsequent payments due the 1st day of each following month.

2 Admin claim to be paid on or before the effective date.

3 Admin claim to be paid on or before the effective date.

4 Admin claim to be paid on or before the effective date.

5 Admin claim to be paid on or before the effective date.

6 Admin claim to be paid on or before the effective date.

c. Comptroller of Public Accounts

i. The Texas Comptroller of Public Accounts (the “Comptroller”) filed the following claims in Debtors’ cases:

ii. Superior Home Health Services

Filed Claim No. Comptroller of Public Accounts \$1,000.00
16

iii. Superior Home Health of Eagle Pass

Filed Claim No. Comptroller of Public Accounts \$1,000.00
12

iv. Superior Home Health of San Antonio

Filed Claim No. Comptroller of Public Accounts \$1,000.00
10

v. Superior Hospice of McAllen

Filed Claim No. Comptroller of Public Accounts \$1,000.00
12

vi. Superior Hospice of Del Rio

Filed Claim No. 6 Comptroller of Public Accounts \$1,000.00

vii. Superior Hospice

Filed Claim No. 9 Comptroller of Public Accounts \$1,000.00

viii. The Debtors shall pay their respective Texas Comptroller of Public Accounts Claims in equal monthly installments within 60 months of the petition filing date at the statutory interest rate on the date the case is confirmed. The first payment shall be due the first day of the month to occur 30 days after the effective date with subsequent payments due the 1st day of each following month.

d. A failure by the reorganized Debtor to make a payment to the TWC or the Comptroller 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 tax payments within ten (10) days after service of written notice of default from the TWC or the Comptroller, the TWC or the Comptroller may (a) enforce the entire amount of its claim, (b) exercise all rights and remedies under applicable nonbankruptcy law, and (c) seek such relief as may be appropriate in this court. Notice of the default shall be served by first class mail upon the reorganized Debtor at: 8000 Vantage Drive, San Antonio, TX 78230, Attn: Chief Executive Officer, and upon Debtor’s attorney at: The Smeberg Law Firm, PLLC, 2010 W. Kings Highway, San Antonio,

TX 78201-4926, Attn: Ron Smeberg, Esq. The Debtor shall be allowed to cure up to two (2) defaults. Upon a third default, the TWC or the Comptroller, at its option, may declare the default non-cureable and proceed to collect the remainder of the debt.

2. Secured and Unsecured Priority Claims of Property (Ad Valorem) Taxing Authorities

- a. The following claims were made in each respective case by property taxing authorities:

i. Superior Home Health Services, LLC

Filed Claim No. 1	City of Del Rio	\$279.01
Filed Claim No. 2	Val Verde County	\$730.02
Filed Claim No. 4	Hidalgo County	\$1,878.57
Filed Claim No. 5	Cameron County	\$1,010.27
Filed Claim No. 10	Uvalde County	\$947.43
Filed Claim No. 12	City of McAllen	\$353.88

ii. Superior Home Health of Eagle Pass

Filed Claim No. 2	Eagle Pass ISD	\$544.01
Filed Claim No. 3	City of Eagle Pass	\$250.00
Filed Claim No. 7	Maverick County	\$308.53

iii. Superior Home Health of San Antonio

Filed Claim No. 1	Bexar County	\$2,622.80
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iv. Superior Hospice of McAllen

Filed Claim No. 7	Uvalde County	\$947.43
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- b. Ad Valorem taxes will be paid in full in equal monthly instalments at the statutory rate of interest within 60 months of the petition filing date, with the first payment being made on the first day of the first month following 30 days after the Plan's Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation

date. Thereafter, plan interest at the rate of twelve percent (12%) per annum shall accrue on the entire balance until the tax debt is paid in full. Debtors shall make separate payments on each account consistent with separate amortization schedules provided to the Debtor. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event a Debtor sells, conveys or transfers any property which is collateral of a property tax claim or post confirmation tax debt, the Debtor shall remit such sales proceeds first to the applicable property taxing entity to be applied to the respective tax debt incident to any such property/tax account sold, conveyed or transferred.

- c. A Debtor may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtor shall have thirty (30) days from the Effective Date to object to the any property tax claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. The taxing entity shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtor shall pay all post-petition ad valorem tax liabilities (tax year 2019 and subsequent tax years) owing to the taxing entity in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.
- d. Should a Debtor fail to make any payments as required in its respective Plan, the taxing entity shall provide written notice of that default by sending written notice by certified mail to Debtor's counsel advising of that default, and providing the Debtor with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, the taxing entity may, without further order of this Court or notice to the Debtor, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-petition and/or post-confirmation taxes while the Debtor are still paying any pre-petition debt, shall be considered an event of default. A Debtor shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, the taxing entity may pursue all rights and remedies available to it under the Texas Property Tax Code in state district court without further order of this court or further notice to the Debtor.

C. Claims by Healthcare Receivables Lenders, Inc:

- 1. The Class 1 Claim for Home Health Care Entities.

The Class 1 claim for the three home health care entities, Superior Home Health Services, LLC, Superior Home Health of Eagle Pass, LLC and Superior Home Health Services, LLC, consists of the **impaired** secured claim of Healthcare

Receivables Lenders, Inc. ("Healthcare Receivables") in the claimed amount of \$584,884. All cash collateral payments to Healthcare Receivable shall be deemed post-petition interest, fees, and collection cost payments toward note. Hence, the entire amount remaining owed to Healthcare Receivables for pre and post judgment interest, principal, attorney fees, and any other fees related to the Healthcare Receivables loan documents is deemed to be \$584,884 as of the effective date (the "Confirmation Balance").

The Confirmation Balance is owed joint and severable by Superior Home Health Services, LLC, Superior Home Health of Eagle Pass, LLC and Superior Home Health Services, LLC. Provided each of these debtors remain current on their plan payments to Healthcare Receivables, each debtor shall be responsible for 1/3 of the Confirmation Balance.

Debtors shall pay Healthcare Receivables entire Confirmation Balance in 42 months but on a 60 month 7% amortization schedule with regular monthly payments of \$11,582 (\$3,861.00 each Debtor). Debtors may pay part or the entire balance in advance without penalty.

The interest on the Confirmation Balance shall accrue at 10% unless adjusted as follows:

- a) If Debtors' entire Confirmation Balance with interest accruing at 7% interest is paid on or before the expiration of 18 months following the effective date, then the entire Confirmation Balance shall be deemed paid in full and the remaining 3% accrued interest shall be released.
- b) If Debtors' entire Confirmation Balance with interest accruing at 8% interest is paid on or before the expiration of 24 months following the effective date, then the entire Confirmation Balance shall be deemed paid in full and the remaining 2% accrued interest shall be released.
- c) If Debtors' entire Confirmation Balance with interest accruing at 9% interest is paid on or before the expiration of 36 months following the effective date, then the entire Confirmation Balance shall be deemed paid in full and the remaining 1% accrued interest shall be released.

If any Debtor defaults on its payments to Healthcare Receivables and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then the remaining non defaulting entities shall 1) cure any default within 10 day notice and 2) begin making payments toward the

defaulting entities share of the debt on the first day of the calendar month to occur 10 days after the notice was sent.

If the non-defaulting Debtors fail to cure the defaulting Debtor's default; fail to make payments on behalf of the defaulting Debtor, or there is an uncured default of the entire debt, Healthcare Receivables may accelerate the note and pursue all remedies under the contract documents. Default interest after acceleration shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.

Debtors shall continue making adequate assurance payments until the month prior to the first regular monthly payment.

Superior Home Health of Eagle Pass, LLC shall make its first monthly payment the tenth day of the month to occur 30 days after the effective date with subsequent payments due the 10th day of each following month.

Superior Home Health Services, LLC, and Superior Home Health Services, LLC shall make their first monthly payments the tenth day of the month to occur 120 days after the effective date with subsequent payments due the 10th day of each following month.

The Class 1 claims for the home health care companies are deemed impaired under the Plan and shall vote on the Plan.

Upon full payment of the Confirmation Balance as provided for herein, all guarantors of the Healthcare Receivables debt shall be released by Healthcare Receivables and all liens against Debtors or their Guarantors' assets shall be released. Healthcare Receivables shall be enjoined from pursuing payment from any guarantor of its debt provided Debtors comply with the Healthcare Receivables plan treatment provided for herein.

D. Remaining Claims.

1. Superior Home Health Services, LLC 18-50597

Class 1 Claims Health Care Receivables claims discussed *supra* (prior).

Class 2 Claims: The Class 2 Claim Consists of the filed secured claim of BB&T in the amount of \$8,559.46. The claim is for a lease purchase copier agreement. The claim shall be paid by Debtor at the 0% contractual interest rate in payments of \$400.00 per month. All payments made post petition and pre confirmation shall be applied to principal of the note. Within 20 days of Confirmation, BB&T shall provide Debtor with the total amount owed on the note after applying all payments made during the bankruptcy. Payments shall be made monthly beginning on the 10th

day of the month following 30 days after the Effective Date and subsequent payments shall be made on the 10th day of the following months.

The BB&T shall retain its liens and security interests as originally provided in its loan documents until paid in full according to the Plan. BB&T is impaired and shall vote on the plan.

Class 3 Claims: The Class 3 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$7,500 per quarter until paid in full. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 3 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 3 creditors shall be enjoined from pursuing any Class 3 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

The class 3 claims are impaired and shall vote on the plan.

ABILITY Network Inc.	\$417.64
Advantage Capital Funding	\$142,308.81 ⁷
AIM Media Texas Business Office	\$326.18
Airstream Heating & Cooling, LLC	\$215
Amerifactors	\$20,250
AT&T Mobility II LLC	\$8,730.53
Blue Cross and Blue Shield of Texas	\$0

BSK Rodrigues Investments, LLC	\$22,500
CCK Strategies, PLLC	\$1,844
City of McAllen Alarms Division	\$50
Core Business Sol.	\$2,822.60
Custom Aquarium	\$162.36
DecisionHealth	\$252.21
Elite Pro	\$324.76
Encarnacion Lopez	\$70
Federal Express	\$116.36

⁷ Incorrectly filed in this case and should only be in San Antonio Home Health of San Antonio 18-50599. .

Fields Research, Inc	\$450
First Choice Medical Supply	\$1,767.02
Gallegos Electric, Inc.	\$75.78
Garza, Sonya J	\$0
Gomez, Elizabeth	\$0
Healthcare Consultlink	\$1,900
Homecare Homebase, LLC	\$22,561.92
Internal Revenue Service	\$11,208.32
Kennedy Attorneys & Counselors at Law	\$15,478.84
L&R Digital Print	\$558.75
Lone Star Overnight	\$886.09
Onepoint	\$4,225
Perez, Norma M	\$0
Personnel Concepts	\$1,727
Protection One Alarm Monitoring Inc.	\$369.66

Providenttrust, Inc.	\$331.58
Sanchez, Serina S.	\$0
Sandra W. De La Garza	\$10,482.08
Sauceda, Ana Liza	\$0
Shred-it USA, LLC	\$1,279.08
Superior Alarms	\$389.72
Superior Home Health Services Health Plan	\$0
TASC	\$155.19
Texas Comptroller of Public Accounts	\$1,000
Therapy At Home, PLLC	\$7,100
Time Payment Corp	\$272.16
Valley Healing Hands, LLC	\$5,600
Villezcass, Tanya L.	\$0
Yellow Page Directory Svcs	\$296
Texas Workforce Commission Regulatory Integrity Division – SAU	\$835.21

Class 4 Claims: The Class 4 claims consist of the filed secure claims of De Lage in the amount of \$183,992.44. De Lage filed two proof of claim in the Superior Home Health Services bankruptcy for more than \$307,000 and the parties agreed that the claims were duplicates. The actual amount of the claim is \$183,992.44. De Lage agrees to reduce total amount owed down to \$120,000 from \$183,992.44 and to transfer all property to Superior Home Health Services, LLC upon final payment of the \$120,000. The \$120,000 shall be paid in 48 monthly payments of \$2,500 a month beginning the 1st day of the month following the effective date. Debtor shall file proof of De Lage's agreement to these terms by filing De Lage's ballot consenting to the plan with the Court. Debtor reserves the right to object to De Lage's claim in the event De Lage does not submit a ballot consenting to the plan.

De Lage shall be enjoined from pursuing any guarantor of its debt provided Debtor complies with the De Lage's plan treatment provided for herein. De Lage shall retain its liens and security interests as originally provided in its loan documents until paid in full according to the Plan. De Lage is impaired and shall vote on the plan.

Class 5 Claims: The Class 4 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor.

2. Superior Home Health of Eagle Pass, LLC 18-50598

Class 1 Claims: Health Care Receivables claims discussed *supra* (prior).

Class 2 Claims: The Class 2 claims consist of the priority unsecured claims for unpaid medical benefits listed below. Debtors had supplied medical insurance to its employees with the employees contributing a portion of the premiums for the medical insurance. Debtors allowed the insurance to lapse causing medical claims (“Medical Claims”) incurred by these employees to be denied. For Medical Claims denied solely related to lapse in premium payment, Debtors shall subrogate for the insurance carriers for their respective employees and negotiate and pay each claim. Employees shall be required to pay their contractually obligated deductibles, copays, coinsurance and any other fees or costs they would have been required to pay had the insurance not lapsed. Any claims that would have been denied by the insurance carrier or reduced by the insurance carrier may be denied or reduced by the respective Debtor and Debtor shall inure to the benefit of all rights and defenses held by the insurance carrier. All medical claims shall be resolved within 24 months of the effective date, unless litigation is necessary to resolve a particular claim. Any claim not resolved within 24 months of the effective date and for which no litigation has been initiated to resolve the claim, shall be paid to the provider in full. The Medical Claims are deemed priority employee benefit claims pursuant to Section 507(5)(B) of the Bankruptcy Code.

Class 2 claimants are required to make best efforts to cooperate with Debtor in resolving the claims. If a claimant refused to cooperate with Debtor after receiving 7 days notice via certified mail at the claimants last known address, then Debtor shall no longer be obligated to resolve the debt. The maximum amount Debtor is obligated to pay to resolve the claim of any particular claimant is listed next to the claimant’s name below; however, Debtor estimates paying 50% of the balances to settle the claims

The Class 2 claims are deemed impaired under the Plan and shall vote on the Plan.

Santa Cazares -- \$3,293

Zergio Mata -- \$22,259

Paula M. Oliveras -- \$6,619

Lizette Vigil -- \$2,553.02

Class 3 Claims: The Class 3 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$9,000 per quarter until paid in full. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed. Additionally, there are several creditors that either were scheduled as secured

or filed secured claims that have been placed in the general unsecured class because Debtor claims they are wholly unsecured. The class 3 claims are impaired and shall vote on the plan. Debtor may, but is not required to, file a motion to determine secured status or an objection to claim for those creditors, which have been identified below with “(s)” next to the creditor’s name.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 3 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 3 creditors shall be enjoined from pursuing any Class 3 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

National Funding Inc.(s) ⁸	\$124,431.40
On Deck Capital, Inc. (s)	\$48,865.39
Corporation Service Company (s)	\$0
Green Capital Funding, LLC (s)	\$18,237
Last Chance Funding (s)	\$18,802
Advantage Capital Funding ⁹	\$142,308.81
Aetna, Inc. and affiliated entities	\$2,729.85
Texas Workforce Commission,	\$1,140.99
Comptroller of Public Accounts	\$1,000
UnitedHealthcare Insurance Company	\$970.01
Clinical Pathology Laboratories, Inc.	\$363.50

Renal Associates PA / Dr. Flavio Alvarez	\$317
Fesa Inc. dba Precision Tune Auto Care	\$230.22
Humana	\$181.70
Uvalde Family Practice Association	\$154.85
Uvalde Family Practice Association	\$120
Carlos F. Morales M.D.	\$102
The Eye Center of Uvalde	\$45
Cody DeRusha	\$0
Sentry Security	\$32.48
The Tire Shop & Towing	\$50
Uvalde Fire Equipment Co	\$51.76
Ascend Family	\$60
Del Rio Hispanic Chamber of Commerce	\$120

⁸ Incorrectly filed in this case and should only be in San Antonio Home Health of San Antonio 18-50599.

⁹ Incorrectly filed in this case and should only be in McAllen Hospice 18-50600.

Villarreal's Express Lube	\$139
LS Water, LLC	\$140.04
Eagle Pass Chamber of Commerce	\$150
Yellow Business Book	\$197.81
FedEx	\$202.33
Precision Tune Auto Care	\$230.22
DecisionHealth	\$252.21
Providertrust, Inc	\$331.58
ABILITY Network Inc.	\$417.64
TASC	\$448.40
Personnel Concepts	\$500.69
L&R Digital Print	\$558.77
Onepoint	\$900
UnitedHealthcare Insurance Company	\$970.01
CCK Strategies, PLLC	\$992
Texas Workforce Commission	\$1,055.03
P.T. Systems, Inc.	\$1,224
Stericycle Inc.	\$1,692.31
Healthcare Consultlink	\$2,850
Internal Revenue Service	\$9,446.60
Core Business Sol.	\$3,203.57
Gateway Home Health Consulting, LLC	\$5,170
First Choice Medical Supply	\$5,835.84

MLB Therapy Services	\$9,910
Homecare Homebase	\$22,805.35
Alvarez, Perla Y.	\$0
Bermea, Leo	\$0
Bisciano, Patricia R.	\$0
Blue Cross and Blue Shield of Texas	\$0
Briones, Norma M.	\$0
Burato, Rosie R.	\$0
Calliham, Patricia	\$0
Cazares, Santa G.	\$0
De La Garza, Margarita	\$0
Duenez, Laura	\$0
Field Research, Inc	\$0
Fisher, Deborah	\$0
Fondon, Stephanie A.	\$0
Hernandez, Paolo	\$0
Jeffcoat, Krista A.	\$0
Juarez, Eustolia	\$0
Lenora A. Duncan	\$0
Mata, Zergio G.	\$0
Menchaca, Raul	\$0
Perez, Eduardo	\$0
Ramos, Maria D.	\$0
Rondon, Debbie G.	\$0
Sanchez, Arabela	\$0
Silvas, Dora	\$0
Texas Comptroller of Public Account	\$0
Vasquez, Jalyn G	\$0

Class 4 Claims: The Class 4 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor.

3. Superior Home Health of San Antonio, LLC 18-50599

Class 1 Claims: Health Care Receivables claims discussed *supra* (prior).

Class 2 Claims: The Class 2 Claim Consists of the filed secured claim of the Business Bank of Texas, N.A. in the amount of \$5,476.42. The claim shall be paid by Debtor at the 4% contractual interest rate in payments of \$300.00 per month. All payments made post petition and pre confirmation shall first be applied to interest and then to principal of the note. Within 20 days of Confirmation, the Business Bank of Texas, N.A. shall provide Debtor with the total amount owed on the note after applying all payments made during the bankruptcy. Payments shall be made monthly beginning on the 10th day of the month following 30 days after the Effective Date and subsequent payments shall be made on the 10th day of the following months. The Business Bank of Texas, N.A. shall retain its liens and security interests as originally provided in its loan documents until paid in full according to the Plan. The Business Bank of Texas, N.A. is impaired and shall vote on the plan.

Class 3 Claims: The Class 3 Claims Consists of the filed secured claims of Firstmark Credit Union (claim numbers 11, 12, and 13) in the aggregate amount of \$77,146.27. The claim shall be paid by Debtor at the 3.75% contractual interest rate in \$1,500.00 monthly payments. All payments made post-petition and pre-confirmation shall first be applied to interest and then to principal of the note. Within 20 days of Confirmation, Firstmark Credit Union shall provide Debtor with the total amount owed on the note after applying all payments made during the bankruptcy. Payments shall be made monthly beginning on the 10th day of the month following 30 days after the Effective Date and subsequent payments shall be made on the 10th day of the following months. Firstmark Credit Union shall retain its liens and security interests as originally provided in its loan documents until paid in full according to the Plan. Firstmark Credit Union is impaired and shall vote on the plan.

Class 4 Claims: The Class 4 claims consist of the priority unsecured Claim of Lysette Burato for unpaid medical benefits in the amount \$6,326.04. Lysette Burato shall receive her claim in 30 equal monthly payments of \$211.00 beginning on the first day of the month occurring 90 days after the effective date at the federal judgment rate of interest in effect on the confirmation date. The Class 4 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 5 Claims: The Class 5 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$15,000 per quarter until paid in full. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed. Additionally, there are several creditors that either were scheduled as secured or filed secured claims that have been placed in the general unsecured class because Debtor claims they are wholly unsecured. The class 5 claims are impaired and shall vote on the plan.

Debtor may, but is not required to, file a motion to determine secured status or an objection to claim for those creditors, which have been identified below with “(s)” next to the creditor’s name.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 5 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 5 creditors shall be enjoined from pursuing any Class 5 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

Advantage Capital Funding (S) ¹⁰	142,308.81
Cardinal Equity, LLC aka TVT Capital (S)	30,000
Corporation Service Company (S)	\$0
Last Chance Funding (S)	\$30,372
National Funding, Inc (S) ¹¹	\$124,431
1224 LTD	\$32,314.88
A-1 Fire & Safety	\$121.24
ABILITY Network Inc.	\$417.64
Accushield, LLC	\$9
Aetna, Inc.	\$11,711.4
Arras, Ricardo A.	\$0
AT&T	\$6,400.09
Blue Cross and Blue Shield of Texas	\$0
Castellon, Edgar R.	\$0
CCK Strategies, PLLC	\$21,084
City of San Antonio Police Dept	\$225
Complete Lube N Repair Inc.	\$784.95
Core Business Sol	\$11,710.04
Decision Health	\$252.21
eFax Corporate	\$1,690.20

Estrada, Kimberly A.	\$0
FedEx	\$274.70
Fields Research, Inc	\$1,000
First Choice Medical Supply	\$6,550.33
Flores, Amelia	\$0
Flores, Mona L.	\$0
Frias, Olga P.	\$0
Garibay, Saul	\$0
Garza, Mary Lou	\$0
Gateway Home Health Consulting, LLC	\$4,840
Healthcare Consult link	\$950
Homecare Homebase, LLC	\$20,023.02
Internal Revenue Service	\$11,310.70
Jeff Crumrine A/C & Heating, Inc.	\$533.29
Kingsville PTS@Home, LLC	\$17,225
L&R Digital Print	\$558.75
Lone Star Overnight	\$80.29
Lysette Burato	6,326.04
My485 Inc.	\$0
Onepoint	\$3,375
Parra Rocha , Melinda C.	\$0

¹⁰ Incorrectly filed in this case and should only be in San Antonio Home Health of San Antonio 18-50599.

¹¹ Incorrectly filed in this case and should only be in McAllen Hospice 18-50600.

Perez, Silvia S.	\$0
Personal Concepts	\$500.68
Portillo, Jose	\$0
Providertrust, Inc.	\$356.58
Reyes, Samantha	\$0
Rodriguez, Elisha D.	\$0
Social Workers as Needed, LLC	\$585
TASC	\$448.40
Tellez, Fidel	\$0

Texpts@Home	\$9,180
UnitedHealthcare Insurance Company	\$0
US-Yellow Yellow Pages	\$195
Vasquez, Cristopher A.	\$0

Class 6 Claims: The Class 6 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor.

4. Superior Hospice McAllen, LLC 18-50600

Class 1 Claims: The Class 1 claim is the secured claim of Channel Partners Funding, I, Assignee of Channel Partners Capital, LLC (“Channel Partners”) in the claimed amount of \$66,445.06. All cash collateral payments to Channel Partners shall be deemed post-petition interest, fees, and collection cost payments toward note. Hence, the entire amount remaining owed to Channel Partners for pre and post judgment interest, principal, attorney fees, and any other fees related to the Channel Partners loan documents is deemed to be \$66,445.06 as of the effective date (the “Confirmation Balance”).

Debtor shall pay Channel Partners entire Confirmation Balance at a 7% interest rate in 60 equal monthly payments of \$1,316.00. Debtor may pay part or the entire balance in advance without penalty.

If Debtor defaults on its payments to Channel Partners and fails to cure after 7 days written notice to Debtor and Debtor’s counsel, which may be by email, or defaults more than 3 times, Channel Partners may accelerate the note and pursue all remedies under the contract documents. Default interest after acceleration shall be 10%. Unless otherwise stated herein, the loan documents shall govern. Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor shall make its first monthly payment the tenth day of the month to occur 30 days after the effective date with subsequent payments due the 10th day of each following month.

Upon full payment of the Confirmation Balance as provided for herein, all guarantors of the debt shall be released by Channel Partners and all liens against Debtors or their Guarantors’ assets shall be released. Channel Partners shall be enjoined from pursuing payment from any

guarantor of its debt provided Debtor complies with the Channel Partners' plan treatment provided for herein.

The Class 1 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 2 Claims: The Class 2 claim is the secured claim of Everest Business Funding Pryor & Mandleup ("Everest Business Funding") in the claimed amount of \$84,058. As pled in Debtor's Cash Collateral Motion, only \$21,000 of the \$84,058 was secured at the time the case was filed. Debtor shall treat \$21,000 as secured and the remaining \$63,058 shall be treated as general unsecured and paid along with the general unsecured creditor class. All cash collateral payments to Everest Business Funding shall be deemed post-petition interest, fees, and collection cost payments related to the secured balance. Hence, the entire amount remaining owed to Everest Business Funding for pre and post judgment interest, principal, attorney fees, and any other fees related to the Everest Business Funding secured balance is deemed to be \$21,000 as of the effective date (the "Confirmation Balance").

Debtor shall pay Everest Business Funding entire Confirmation Balance at a 7% interest rate in 60 equal monthly payments of \$416.00. Debtor may pay part or the entire balance in advance without penalty.

If Debtor defaults on its payments to Everest Business Funding and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, Everest Business Funding may accelerate the note in regard to the Confirmation Balance and pursue all remedies under the contract documents. Default interest after acceleration shall be 10%. Unless otherwise stated herein, the loan documents shall govern. Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor shall make its first monthly payment the tenth day of the month to occur 30 days after the effective date with subsequent payments due the 10th day of each following month.

Upon full payment of the Confirmation Balance as provided for herein, all guarantors of the debt shall be released by Everest Business Funding and all liens against Debtors or their Guarantors' assets shall be released. Everest Business Funding shall be enjoined from pursuing payment from any guarantor of its debt provided Debtor complies with the Everest Business Funding's plan treatment provided for herein.

The Class 2 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 3 Claims: The Class 3 claims consist of the priority unsecured claims for unpaid medical benefits listed below. Debtors had supplied medical insurance to its employees with the employees contributing a portion of the premiums for the medical insurance. Debtors allowed the insurance to lapse causing medical claims ("Medical Claims") incurred by these employees to be denied. For Medical Claims denied solely related to lapse in premium payment, Debtors shall subrogate for the insurance carriers for their respective employees and negotiate and pay each claim. Employees shall be required to pay their contractually obligated deductibles, copays, coinsurance and any other fees or costs they would have been required to pay had the insurance not lapsed. Any claims that would have been denied by the insurance carrier or reduced by the insurance carrier may be denied or reduced by the respective Debtor and Debtor shall inure

to the benefit of all rights and defenses held by the insurance carrier. All medical claims shall be resolved within 24 months of the effective date, unless litigation is necessary to resolve a particular claim. Any claim not resolved within 24 months of the effective date and for which no litigation has been initiated to resolve the claim, shall be paid to the provider in full. The Medical Claims are deemed priority employee benefit claims pursuant to Section 507(5)(B) of the Bankruptcy Code.

Class 3 claimants are required to make best efforts to cooperate with Debtor in resolving the claims. If a claimant refused to cooperate with Debtor after receiving 7 days notice via certified mail at the claimants last known address, then Debtor shall no longer be obligated to resolve the debt. The maximum amount Debtor is obligated to pay to resolve the claim of any particular claimant is listed next to the claimant's name below; however, Debtor estimates paying 50% of the balances to settle the claims

The Class 3 claims are deemed impaired under the Plan and shall vote on the Plan.

Sandra W. De La Garza -- \$10,482.08

Jalyn G. Vasquez -- \$5,462.50

Class 4 Claims: The Class 4 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$21,000 per quarter over 60 months. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed. Additionally, there are several creditors that either were scheduled as secured or filed secured claims that have been placed in the general unsecured class because Debtor claims they are wholly unsecured. The class 4 claims are impaired and shall vote on the plan.

Debtor may, but is not required to, file a motion to determine secured status or an objection to claim for those creditors, which have been identified below with "(s)" next to the creditor's name.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 4 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 4 creditors shall be enjoined from pursuing any Class 4 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

Corporation Service Company (s)	\$0
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Advantage Capital Funding (s)	\$142,308
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Last Chance Funding (s)	\$20,083
Monroe Capital Management Advisors, LLC (s)	\$0
Yellowstone Capital, LLC (s)	\$70,616
National Funding Inc. (s) ¹²	\$124,431.42
United Care Pharmacy	\$20,151.50
VERANDA REHAB AND HEALTHCARE	\$12,377.03
CPS Energy	\$1,834.24
Comptroller of Public Accounts	\$1,000
AT&T Corp.	\$43,387.39
Southwestern Bell Telephone Company	\$52.11
AT&T Long Distance, LLC	\$5,820.45
The Rio at Fox Hollow	\$11,195.51
A & D Phone Service	\$283.05
ABILITY Network Inc	\$417.64
Alta Vista Rehab & Healthcare	\$452.04
AnswerOne	\$1,286.19
Avendano, Laura M.	\$0
Blue Cross and Blue Shield of Texas	\$0

BSK Rodrigues Investments, LLC	\$17,500
CCK Strategies, PLLC	\$1,532
Consolo Services Group, LLC	\$666.66
FastSigns	\$27.06
First Choice Medical Supply	\$18,932.36
Healthcare Consultlink	\$1,900
Homecare Homebase, LLC	\$207.48
Hospice Source	\$29,476.62
Internal Revenue Service	\$6,282.62
L&R Digital Print	\$2,387.44
Lone Star Overnight	\$17.41
Moreno, Claudia E.	\$0
Providertrust, Inc.	\$356.58
Shred-it USA, LLC	\$884.40
South Texas Monitoring System	\$700
Staples Business Advantage	\$2,813.36
Summer Energy, LLC	\$23.53
TASC	\$116.95
Texas Comptroller of Public Account	\$0
Texpts@Home	\$3,900
UnitedHealthcare Insurance Company	\$0

Class 5 Claims: The Class 4 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor.

5. Superior Hospice of Del Rio, LLC 18-50601

Class 1 Claims: The Class 1 claim is the secured claim of Channel Partners Funding, I, Assignee of Channel Partners Capital, LLC (“Channel Partners”) in the claimed amount of \$66,414.85. All cash collateral payments to Channel Partners shall be deemed post-petition interest, fees, and collection cost payments toward note. Hence, the entire amount remaining owed to Channel Partners for pre and post judgment interest, principal, attorney fees, and any other

¹² Incorrectly filed in this case and should only be in San Antonio Home Health of San Antonio 18-50599.

fees related to the Channel Partners loan documents is deemed to be \$66,414.85 as of the effective date (the "Confirmation Balance").

Debtor shall pay Channel Partners entire Confirmation Balance at a 7% interest rate in 60 equal monthly payments of \$1,315.00. Debtor may pay part or the entire balance in advance without penalty.

If Debtor defaults on its payments to Channel Partners and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, Channel Partners may accelerate the note and pursue all remedies under the contract documents. Default interest after acceleration shall be 10%. Unless otherwise stated herein, the loan documents shall govern. Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor shall make its first monthly payment the tenth day of the month to occur 30 days after the effective date with subsequent payments due the 10th day of each following month.

Upon full payment of the Confirmation Balance as provided for herein, all guarantors of the debt shall be released by Channel Partners and all liens against Debtors or their Guarantors' assets shall be released. Channel Partners shall be enjoined from pursuing payment from any guarantor of its debt provided Debtor complies with the Channel Partners' plan treatment provided for herein.

The Class 1 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 2 Claims: The Class 2 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$6,000 per quarter until paid in full. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed. Additionally, there are several creditors that either were scheduled as secured or filed secured claims that have been placed in the general unsecured class because Debtor claims they are wholly unsecured. The class 2 claims are impaired and shall vote on the plan.

Debtor may, but is not required to, file a motion to determine secured status or an objection to claim for those creditors, which have been identified below with "(s)" next to the creditor's name.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 2 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 2 creditors shall be restrained from pursuing any Class 2 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

Green Capital Funding, LLC(s)	\$17,190
LG Funding (s)	\$63,826
Monroe Capital Management Advisors, LLC (s)	\$0
Advantage Capital Funding (s) ¹³	\$142,308.80
ALGC, LLC	\$1,500
AT&T	\$225.31
Blue Cross and Blue Shield of Texas	\$0
BSK Rodrigues Investments, LLC	\$15,000
Carrizo Springs Nursing & Rehab	\$1,183.68
CCK Strategies, PLLC	\$1,782.00

Consolo Services Group, LLC	\$666.72
First Choice Medical Supply	\$8,111.30
Healthcare Consultlink	\$950
Homecare Homebase, LLC	\$103.75
L&R Digital Print	\$2,104.70
Maverick Nursing & Rehab Center	\$1,253.07
Onepoint	\$900.00
Providertrust, Inc.	\$481.21
UnitedHealthcare Insurance Company	\$0
Cruz, Liliana A	\$0
Pena, Amy E. Internal Revenue Service	\$0
	\$4,555.00

Class 3 Claims: The Class 3 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor.

6. Superior Hospice, LLC 18-50602

Class 1 Claims: The Class 1 claim is the secured claim of On Deck Capital, Inc. (“On Deck”) in the claimed amount of \$131,269.12. All cash collateral payments to On Deck shall be deemed post-petition interest, fees, and collection cost payments toward note. Hence, the entire amount remaining owed to On Deck for pre and post judgment interest, principal, attorney fees, and any other fees related to the On Deck loan documents is deemed to be \$131,269.12 as of the effective date (the “Confirmation Balance”).

Debtor shall pay On Deck’s entire Confirmation Balance at a 7% interest rate in 60 equal monthly payments of \$2,600.00. Debtor may pay part or the entire balance in advance without penalty.

If Debtor defaults on its payments to On Deck and fails to cure after 7 days written notice to Debtor and Debtor’s counsel, which may be by email, or defaults more than 3 times, On Deck may accelerate the note and pursue all remedies under the contract documents. Default interest after acceleration shall be 10%. Unless otherwise stated herein, the loan documents shall govern. Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor shall make its first monthly payment the tenth day of the month

¹³ Incorrectly filed in this case and should only be in McAllen Hospice 18-50600.

to occur 30 days after the effective date with subsequent payments due the 10th day of each following month.

Upon full payment of the Confirmation Balance as provided for herein, all guarantors of the debt shall be released by On Deck and all liens against Debtors or their Guarantors' assets shall be released. On Deck shall be enjoined from pursuing payment from any guarantor of its debt provided Debtor complies with On Deck's plan treatment provided for herein.

The Class 1 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 2 Claims: The Class 2 Claims Consists of the filed secured claims of Firstmark Credit Union (claim numbers 11, 12, 13, and 14) in the aggregate amount of \$62,679.27. The claim shall be paid by Debtor at the 3.75% contractual interest rate in \$1,300.00 monthly payments. All payments made post petition and pre confirmation shall first be applied to interest and then to principal of the note. Within 20 days of Confirmation, Firstmark Credit Union shall provide Debtor with the total amount owed on the note after applying all payments made during the bankruptcy. Payments shall be made monthly beginning on the 10th day of the month following 30 days after the Effective Date and subsequent payments shall be made on the 10th day of the following months. Firstmark Credit Union shall retain its liens and security interests as originally provided in its loan documents until paid in full according to the Plan. Firstmark Credit Union is impaired and shall vote on the plan.

Class 3 Claims: The Class 3 claims consists of the general unsecured claims. Debtor shall pay general unsecured claims 100% at the federal judgment rate of interest in effect on the confirmation date in quarterly payments of \$18,000 per quarter until paid in full. The first payment shall be made the first day of the first month of the first calendar quarter to occur 180 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The unsecured creditors are listed below with the amount to be paid on each claim unless an objection is filed. Additionally, there are several creditors that either were scheduled as secured or filed secured claims that have been placed in the general unsecured class because Debtor claims they are wholly unsecured. The class 3 claims are impaired and shall vote on the plan.

Debtor may, but is not required to, file a motion to determine secured status or an objection to claim for those creditors, which have been identified below with "(s)" next to the creditor's name.

Upon receiving the full payment provided for by the Plan of Reorganization, any Class 3 creditor that filed any form of lien, notice of lien, or lien affidavit against the Debtor, including but not limited to UCC and judgement liens, shall file the necessary documents to release such liens. If the creditor refuses or fails to file such documents within 30 days of final payment and written demand by the Debtor, the Debtor may reopen the bankruptcy to have the court release the lien or file in state court to have the lien released, with all costs and fees associated with the release assessed against the creditor. All Class 3 creditors shall be restrained from pursuing any Class 3 Debt from a guarantor of said debt for as long as the Debtor complies with the class three payment terms.

Everest Business Funding (s)	\$36,417.50
1224 LTD	\$32,314.88
Acme Company (s)	\$0
Corporation Service Company (s)	\$0
Green Capital Funding, LLC (s)	\$50,450
Mantis Funding, LLC (s)	\$44,700
San Antonio Express News Hearst Newspaper/Houston Chronicle	\$350
Outcome Resources	\$31,700.61
Advantage Capital Funding (s) ¹⁴	\$142,308.81
Comptroller of Public Accounts	\$1,000
Heartland of San Antonio TX , LLC	\$42,541.74
The StateServ Companies, LLC (s)	\$66,970.90
A-1 Fire & Safety	\$121.24
ABILITY Network Inc.	\$417.64
Acadian Ambulance Service of Texas, LLC	\$2,045.41
AT&T	\$3,686.16
Balyeat, Ashton P.	\$0
Blue Cross and Blue Shield of Texas	\$0
Cano, Debbie	\$0
CCK Strategies, PLLC	\$1,762
Cherry, Eric	\$0
Compian, Angelica	\$0

Complete Lube N Repair Inc.	\$126.76
Consolo Services Group, LLC	\$666.62
Core Business Sol	\$671.87
Dr. Raja Sekhar Pathapati	\$3,500
eFax Corporate	\$364.83
FedEx	\$146.26
First Choice Medical Supply	\$16,216.90
Healthcare Consultlink	\$950
Homecare Homebase, LLC	\$207.48
L&R Digital Print	\$2,387.41
Lamb, Scott	\$0
Legend Oaks Healthcare & Rehabilitation	\$300
New Way Medical Supply, LLC	\$2,859.79
Nova Medical Centers	\$42.96
Onepoint	\$900
Paramount Senior Care Centers at SA	\$13,423.26
Providertrust, Inc.	\$481.21
Social Workers as Needed, LLC	\$1,045
TASC	\$207.87
Texas Comptroller of Public Account	\$0
UnitedHealthcare Insurance Company	\$0
Walgreens	\$130.29
Wills, Alicia R.	\$0

¹⁴ Incorrectly filed in this case and should only be in McAllen Hospice 18-50600.

Class 4 Claims: The Class 4 claims consist of Equity Holder Belinda Juarez. Belinda Juarez shall retain her interest in the Debtor

E. Payment of Administrative Claims

All allowed administrative claims will be paid in full on or after the Plan's Effective Date in accordance with the provisions of 11 U.S.C. ' 1129(a)(9)(A), as agreed to between a particular administrative claimholder and the Debtors. The Debtors anticipate paying administrative claims from Debtors' business income or post-confirmation cash flow.

F. Feasibility of the Plan.

The Plan is feasible as a result of the income generated from Debtors' business operations and assets. Debtors have provided a proforma in Exhibit B, which demonstrates the Plan's feasibility.

G. Claims Allowance Procedure

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 Debtors or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtors have scheduled such claim as disputed, contingent, or unliquidated. **Debtors shall file all objections to claims within 60 days of the Confirmation Date except as provided for herein in regard to particular government creditors with shortened objection deadlines.**

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 Debtors 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.

Disputed claims are not permitted to vote on Debtors' plan absent approval of the Court to vote after hearing but disputed claimants may file objections to the disclosure statement and plan.

Debtors may, but is not required to, file a motion to determine secured status and/or an objection to claim in regard to the following creditors:

Superior Home Health Services, LLC 18-50597

Advantage Capital Funding	\$142,308.81
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Superior Home Health of Eagle Pass, LLC 18-50598

National Funding Inc.	\$124,431.40
On Deck Capital, Inc.	\$48,865.39

Corporation Service Company	\$0
Green Capital Funding, LLC	\$18,237
Advantage Capital Funding	\$142,308.81
Last Chance Funding	\$18,802

Superior Home Health of San Antonio, LLC 18-50599

Advantage Capital Funding	\$142,308.81
Cardinal Equity, LLC aka TVT Capital	\$30,000
Corporation Service Company	\$0
Last Chance Funding	\$30,372
National Funding, Inc	\$124,431

Superior Hospice McAllen, LLC 18-50600

Corporation Service Company	\$0
Advantage Capital Funding	\$142,308
Last Chance Funding	\$20,083
Monroe Capital Management Advisors, LLC	\$0
Yellowstone Capital, LLC	\$70,616
National Funding Inc.	\$124,431.42

Superior Hospice of Del Rio, LLC 18-50601

Green Capital Funding, LLC(s)	\$17,190.00
LG Funding	\$63,826.00
Monroe Capital Management Advisors, LLC	\$0
Advantage Capital Funding	\$142,308.80

Superior Hospice, LLC 18-50602

Everest Business Funding	36417.5
1224 LTD	32314.88
Acme Company	0
Corporation Service Company	0
Green Capital Funding, LLC	50450

Mantis Funding, LLC	44700
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H. Retention of Jurisdiction

The Court will retain jurisdiction as set out in the Plan.

I. Interests Retained by the Debtor

The Debtor is retaining its current ownership interests in its real and personal property, subject to the secured and unsecured claims of its creditors.

V. ALTERNATIVES TO THE DEBTORS' PLANS

The alternative to the Debtors' proposed operating plan of reorganization is liquidation. Because Debtors have the ability to pay 100% of all claims, all unsecured claims shall accrue interest at the federal judgment rate of interest in effect on the effective date. Debtor substantial secured and priority debts such that in liquidation, the unsecured creditors would not receive any dividend. If Debtor is permitted to operate, unsecured creditors are projected to receive 100% of their debts over approximately 5 years.

VI. RISK TO CREDITORS UNDER THE DEBTORS' PLAN

The principal risk that creditors will incur under the Debtors' Plan is that the Debtors are unable to operate sufficiently to pay their debts to the IRS. A secondary risk is that Debtors could again be targeted for audit and Medicare payments withheld.

VII. TAX CONSEQUENCES

Debtors are on a cash basis accounting system. Debtors direct all parties in interest to consult their own tax advisors regarding their own tax consequences.

VIII. LITIGATION

There has been no litigation during the bankruptcy.

IX. RELATIONSHIP OF DEBTOR WITH AFFILIATES AND INSIDERS

Debtors are 100% owned by Belinda Juarez, RN BSN, who is the president of each Debtor. Ms. Juarez shall receive a salary post confirmation of \$2,000 per month from Superior Home Health Services and Superior Home Health of San Antonio and \$4,000 per month from the other Debtors. Belinda Juarez shall be entitled to profit draws from the reorganized Debtors provided such draws do not 1) cause a Debtor to become insolvent or 2) cause a Debtor to default on any plan payments.

The following are other insiders employed by the Debtors and their combined salaries between the Debtors

Samantha Reyes (Belinda Juarez's Daughter) \$119,974.40 Yearly

Eustolia Juarez (Belinda Juarez's Sister) \$90,000.00 Yearly
Linda Juarez (Belinda Juarez's Mother) \$26,000.00 Yearly
Patsy Bisciano (Belinda Juarez's Aunt) \$90,000.00 Yearly

X. PREFERENTIAL OR VOIDABLE TRANSFERS

None.

XI. SUMMARY OF SIGNIFICANT ORDERS ENTERED

Many orders were entered in these cases. A list of the "significant" orders entered include the following; however, parties should consult the court's docket for to review all orders entered:

- 1) Order to Jointly Administer the Cases under Case 18-50600.
- 2) Orders were entered in all six cases authorizing the use of cash collateral and final orders were entered on or about July 5, 2018.
- 3) Order was entered allowing assumption of DeRusha lease by Superior Home Health of Eagle Pass; rejection of lease between HMC OB and Superior Hospice of McAllen; and extending the time for rejection or assumption of insider leases;
- 4) Orders were entered in all six cases authorizing the payment of prepetition wages.
- 5) Order was entered authorizing the employment of a Medicare accountant.
- 6) Order authorizing the appointment of a patient care ombudsman.

XII. MISCELLANEOUS DISCLOSURES

A. Modification of the Plan.

The Debtors may propose amendments or modifications to their Plan at any time prior to the date of the entry of the Order Confirming Plan, with leave of the Court, and upon proper notice to parties in interest. After the date of the Order Confirming Plan, Debtor may, with approval of the Court so long as it does not materially or adversely affect the interests of creditors, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Order Confirming Plan in such manner as may be necessary to carry out the purpose and effect of this Plan.

B. Effect of Confirmation of the Plan.

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any Claim against the Debtor based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and temporarily enjoined from asserting any derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, or any type of successor liability based on acts or omissions of the Debtor and any guaranty claims as long as Debtor complies with its obligations under this Plan.

Injunction. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtors and their assets and properties and any proceedings not yet instituted against the Debtors or their assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtors are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors or its property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtors or their property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or its property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtors or the property of the Debtors or the Estate with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtors or the Estate except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

Notwithstanding anything in the Plan to the contrary, but with respect to the Texas Workforce Commission ("TWC") and the Texas Comptroller of Public Accounts ("Comptroller") only, the Plan shall not limit the TWC and the Comptroller's setoff rights under 11 U.S.C. § 553. This provision is not admission by any party that such setoff rights exist.

Discharge. The Debtors are discharged from any debt which arose prior to confirmation, whether as maker or guarantor, except as provided for in the Plan, Order Confirming Plan or the Bankruptcy Code, upon completing the terms and payments of the Plan of Reorganization.

Debtor will not be discharged from any debt except from discharge under Section 523 of the Code, except as provided in Rule 4007(C) of the Federal Rules of Bankruptcy Procedure. Debtors shall continue filing post-confirmation quarterly reports and pay UST fees until the case is closed, dismissed or converted.

Limited Protection of Certain Parties in Interest. Neither (a) the Debtors, or any of their respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtors, nor (b) each Professional for the Debtors or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as "Protected Persons"), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtors, the Chapter 11 Case, or the Estate, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document

entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys' fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A

Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtors, or another Person with whom the Debtors have been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

C. Executory Contracts.

The Debtors are rejecting all prepetition executory contracts not specifically assumed in the Debtors' respective plan of reorganization. **INTERESTED PARTIES SHOULD CONSULT THE PLAN OF REORGANIZATION FOR EACH DEBTOR TO DETERMINE WHETHER A LEASE OR EXECUTORY CONTRACT IS REJECTED OR ASSUMED. IF A LEASE OR CONTRACT IS REJECTED, THE AFFECTED PARTY SHALL FILE ALL CLAIMS FOR REJECTION DAMAGES OR AN AMENDMENT TO A PREVIOUSLY FILED CLAIM NO LATER THAN THE 30TH DAY FOLLOWING THE EFFECTIVE DATE OF THE PLAN; OTHERWISE THE CLAIM SHALL BE BARRED.**

Contract #	Original Amount	Company	Pro-Rata amount
25298734	\$4,696.63	Superior Home Health Services	\$3,060.00
25467585	\$12,093.22	Superior Hospice of McAllen	\$7,884.00
25410798	\$10,013.36	Superior Home Health of Eagle Pass	\$6,528.00
25309034	\$10,102.50	Superior Hospice of Del Rio	\$6,588.00
25271799	\$12,703.26	Superior Hospice Services	\$8,280.00
25389050	\$9,781.08	Superior Home Health of San Antonio	\$6,384.00
25309220	\$4,905.75	Superior Home Health Services	\$3,204.00
25448655	\$7,522.93	Superior Home Health of San Antonio	\$4,908.00
25451825	\$3,715.21	Superior Home Health Services	\$2,424.00
		Superior of McAllen Hospice, LLC;	
		Superior Hospice of Del Rio, LLC;	
25460388	\$81,519.55	Superior Hospice, LLC	\$53,172.00

		Superior of McAllen Hospice, LLC;	
		Superior Hospice of Del Rio, LLC;	
25451947	\$26,938.95	Superior Hospice, LLC	\$17,568.00

Debtors believe all the organizational agreements with is business entities are not executory; however, to the extent they are found executory, Debtors assume those agreements.

De Lage Landen Financial Services, Inc.: Delage Landen Financial Services, Inc. (“Delage”) sold numerous printers and copiers to Superior Home Health Services, LLC, on lease purchase agreements, with a total remaining balance of \$183,992.44. De Lange filed two proof of claim in the Superior Home Health Services, LLC bankruptcy for more than \$307,000 dollars. The parties agreed that the claims were duplicates. The actual amount of the claim is \$183,992.44. While the leases were technically with Superior Home Health Services, LLC, many pieces of equipment were used exclusively by the other entities. Each piece of equipment used by each entity is associated with a contract number listed above. Superior Home Health Services, LLC shall collect the pro rata amounts from each entity for their respective use of equipment listed above each month. Upon final payment after 48 months, the pieces of equipment shall be transferred to each respective entity.

De Lage Landen agrees to reduce total amount owed down to \$120,000.00 from \$183,992.44 and to transfer all property to Superior Home Health Services, LLC upon final payment. The \$120,000.00 shall be paid in \$2,500 monthly payments for 48 months beginning the 1st day of the month following the effective date. Debtor shall file proof of De Lage Landen agreement to these terms by filing De Lage Landen ballot consenting to the plan with the Court. De Lage shall have a secured claim in Class 4 for voting purposes in the Superior Home Health Services, LLC bankruptcy.

D. **Default**

Upon default by the Debtors, creditors are required to provide written notice of such Default to the Debtors and their counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Debtors shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Debtors and Ronald Smeberg. If the Debtors fail to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Debtors shall be entitled to two (2) notices of default for each calendar year. On the third (^{3rd}) notice of default for a calendar year, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

XIII. CONCLUSION

The Debtors submit this Disclosure Statement. The information contained herein has been compiled in good faith and in accordance with the provisions of 11 UCC §§ 101, *et. seq.* This Disclosure Statement is presented for consideration by creditors and other parties in interest and

as the sole source of information furnished by the Debtors, or to be furnished by the Debtors, in solicitation of acceptance of Debtors' Plan of Reorganization.

The Debtors recommend that the Plan of Reorganization be approved. An operating plan is in the best interest of all creditors, Debtors and parties-in-interest, therefore, all Creditors and Interest Holders are urged to vote to accept the Plan.

ARTICLE XV.

ATTACHMENTS AND EXHIBITS

Exhibit "A1-A6"	Most Recently Filed Monthly Operating Report.
Exhibit "B1-B6"	Schedule of Future Payments and Sources of Funds – the Budget
Exhibit "C1-C6"	Property
Exhibit "D"	Patient Census Data
Exhibit "E1-E6"	Proposed Plans of Reorganization
Exhibit "F"	Liquidation Analysis

DATED: October 19, 2018.

BY: /s/ Belinda Juarez

Name: Belinda Juarez, CEO

THE SMEBERG LAW FIRM, PLLC

BY: /s/ Ronald J. Smeberg

Ronald J. Smeberg

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ATTORNEYS FOR DEBTORS