United States Bankruptcy Court

Western District of Washington at Seattle

In re DARA PARVIN		Case No.	**15-12634 CMA**
	Debtor	Chapter	11

Individuals Filing Under Chapter 11

DISCLOSURE STATEMENT
Amended
as of October 27, 2016

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I. INTRODUCTION

On April 29, 2015, Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code. The Chapter 7 Trustee objected to the Chapter 7 filing under 11 USC 706(b) based upon the totality of the Debtor's financial circumstances and filed a motion to convert the matter to Chapter 11. On September 14, 2015 this court issued an ORDER GRANTING MOTION BY UNITED STATES TRUSTEE OF ORDER CONVERTING CHAPTER 7 CASE TO CHAPTER 11.

The Debtor appealed the decision of the court to convert the Chapter 7 case to a Chapter 11 case. On March 22, 2016, the Court affirmed the bankruptcy court's decision to convert the case from Chapter 7 to Chapter 11. The individual Debtor in Possession, **DARA PARVIN**, provides this Disclosure Statement, proposed Plan of Reorganization as an involuntary participant subject to court orders to comply with the provisions of Chapter 11 of the Bankruptcy Code.

The individual Debtor in Possession, **DARA PARVIN**, herein provides this Disclosure Statement to all of his known creditors in order to disclose that information deemed by the Debtor to be material, important, and necessary for the creditors to arrive at a reasonable informed decision prior to exercising his right to vote on the Plan of Reorganization (hereinafter "the Plan", attached hereto as Exhibit "A").

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

This Disclosure Statement has been approved by order of the Bankruptcy Court dated _____, 2016 as providing adequate disclosure. The date set for a hearing on the acceptance of the Plan of reorganization is January 20, 2017, at the hour of 9:30 a.m.

The hearing will be held in Judge Christopher M Alston's Courtroom, Room 7206, United States Courthouse, 700 Stewart Street, Seattle, WA 98101 for determination of acceptance of the Plan of Reorganization. Creditors may vote on the Plan by completing and mailing the accompanying ballot to David Carl Hill, 2472 Bethel Rd. SE, Port Orchard, WA 98366 [Telephone 360-876-5015; E-mail office@hilllaw.com]. Failure to complete the Ballot and return it by January 13, 2017 may result in it not being counted. As a creditor or interest holder, your vote is important. The Plan may be confirmed by the Court if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims any class of claims voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that it accords fair and equitable treatment to the class or classes rejecting it. The proposed distributions under the Plan are discussed hereinafter in this Disclosure Statement.

A. Purpose of This Document

This Disclosure Statement describes:

1. **The Debtor and significant events during the bankruptcy case,**

2. **How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the plan is confirmed),**

3. **Who can vote on or object to the Plan,**

4. **What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,**

5. **Why Debtor believe the Plan is feasible, and how the treatment of your claim or equity**

interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and

6. **The effect of confirmation of the Plan.**

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

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

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

1. **Time and Place of the Hearing to Confirm the Plan**

The hearing at which the Court will determine whether to confirm the Plan will take place on January 20, 2017, at 9:30 a.m., in Courtroom 7206, at the United States Courthouse, 700 Stewart Street, Seattle, WA 98101.

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

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to David Carl Hill, 2472 Bethel Rd. SE, Port Orchard, WA 98366. See section entitled Confirmation Requirements and Procedures, Paragraph A. below for a discussion of voting eligibility requirements.

Your ballot must be received by January 13, 2017 or it will not be counted.

3. **Deadline For Objecting to the Confirmation of the Plan**

Objections to the confirmation of the Plan must be filed with the Court and served upon Debtor by January 13, 2017.

4. **Claims Bar Date**

By order of Court Dated October 12, 2016, the Claims Bar Date has been set as November 16, 2016.

5. **Conference of Attorneys**

A conference of attorneys regarding objections to the Plan of Reorganization will be held on Monday, January 16, 2017 at 10:00 a.m. at the Law Office of DAVID CARL HILL, 2472 Bethel Rd SE, Port Orchard, WA 98366

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

If you want additional information about the Plan, you should contact David Carl Hill, 2472 Bethel Rd. SE, Port Orchard, WA 98366 [Telephone 360-876-5015; E-mail office@hilllaw.com].

C. Disclaimer

No person (as defined in the plan) is authorized in connection with the plan, or the solicitation of ballots with respect to the plan, to give any information or to make any representations other than those contained in this disclosure statement, its exhibits and any other bankruptcy court-approved solicitation materials. If any such representations or information are given or made, they should not be relied upon. The delivery of this disclosure statement will not under any circumstances imply that all the information

contained herein is correct as of any time subsequent to the date hereof.

The Debtor urges you to study the plan in full and to consult with your legal counsel and tax advisors about the plan and its impact upon your legal rights, including possible tax consequences.

The plan and this disclosure statement are not required to be prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law. This disclosure statement has been provisionally approved by the bankruptcy court as containing "adequate information"; however, such approval does not constitute endorsement by the bankruptcy court of the plan or disclosure statement.

Except as otherwise specifically and expressly stated herein, this disclosure statement does not reflect any events that may occur subsequent to the date hereof. Such events may have a material impact on the information contained in this disclosure statement.

This disclosure statement may not be relied upon for any purpose other than to determine whether to vote in favor of or against the plan. Nothing contained herein will constitute an admission of any fact or of liability by any party with regard to any claim or litigation. No statement of fact will be admissible in any proceeding involving the Debtor or any other party, or in any proceeding with respect to any legal effect of the reorganization of the Debtor or the transactions contemplated by the plan and this disclosure statement.

This disclosure statement does not constitute or include legal, business, financial or tax advice. Any persons desiring any such advice should consult their own attorneys or advisors.

The information contained in this disclosure statement has been submitted by the Debtor, except where other sources are identified. The Debtor authorizes no representations concerning the Debtor or the plan other than those in this disclosure statement and accompanying documents. You should not rely on any representations or inducements made by any party to secure your vote other than those contained in this disclosure statement. No one is authorized to make any representations on behalf of the Debtor. The Debtor have been careful to be accurate in this disclosure statement in all material respects, and the Debtor believe that the contents of this disclosure statement are complete and accurate in all material respects. However, the Debtor cannot and do not warrant or represent that the information contained herein is without inaccuracy. In particular, events and forces beyond the control of the Debtor may alter the assumptions upon which the feasibility of the plan is subject.

This disclosure statement may contain statements that are, or may be deemed to be forward-looking statements within the meaning of the private securities litigation reform act of 1995. Such forward looking statements include those regarding consummation of the transactions contemplated by the plan. Although the Debtor believes that such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Debtor to be different from any future results, performance, and achievements expressed or implied by these statements.

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

II. BACKGROUND

A. Description and History of the Debtor

Dr. Parvin grew up in the Northwest and completed his education through medical school in Washington State. He graduated from the University of Washington with a BS degree in 1988 at the age of 22. He earned his Medical Degree from the University of Washington at the age of 27 in 1993. His first two years in practice were in Coos Bay, Oregon, where he was the only fellowship-trained spine surgeon in a 2 hour radius on the Oregon Coast. While there his practice thrived and he was able to pay off his debts to family and others.

In 2002, he embarked on a solo, private practice path and started the Oregon Coast Spine Institute. His practice continued to thrive as he continued to be the only fellowship trained spine care for a vast region. In and around 2004, he decided to embark on a project to grow his practice. That was essentially the beginning of the end of the peaceful life as he knew it. He purchased a 7-acre parcel of wooded land adjacent to the hospital in Coos Bay. It was the largest hospital on the Oregon Coast and served as a regional medical center for a population of around 300,000 or so in a 2 hour radius.

In order to build the facility, he needed to borrow around $3,000,000. With that goal in mind, he had managed to save an additional $300,000 cash as the 10% down payment that the bank had required for the loan. Just prior to finalizing the $3,000,000 loan, his bank informed him and his practice manager, Cynthia Christensen, at the time that his 10% contribution to the loan had been met by his investment in the property ($180,000 purchase of the land plus around $300,000 in the improvements, cost of engineering, architect, etc.). We were advised that they were not going to require the $300,000 cash that he had saved for this sole purpose.

His practice manager was also his right hand person at the time. She knew everything about him and his family. She had access to all of his personal financial information as well as an in depth knowledge of every aspect of his practice. She and her sister-in-law, together with a female attorney, essentially "blackmailed" him and his family with the threat of a "work place hostile environment/sexual harassment" lawsuit if they did not turn over the now-suddenly-available $300,000 to them. They demanded $100,000 each with the threat that they would sue him and his business/practice, the Oregon Coast Spine Institute if they did not get paid. They filed the case against him and the Oregon Coast Spine Institute in 2004. In 2007, he won a defense verdict in a jury trial, but the ordeal took its toll. His original attorney had promised a cap of $120,000 "to take the case all the way through trial and win it." $100,000 and 6 months later, he had only made it through half of the depositions!

They changed attorneys and hired a more experienced group out of Portland, Oregon. They were advised by the new attorneys that the process would be expensive. They estimated $10,000 to assume the case and "catch up to speed." They agreed. They were then billed $50,000 "because the previous attorney had a complicated and poorly organized filing system and it's a complicate case." He requested a "firm cap" on legal costs from his legal team. They gave him a quote of and additional $250,000 maximum above the $150,000 that he had already spent on legal defense. A week before the jury trial date, his attorneys advised him that they had already exhausted the $250,000 and they threatened to drop him as a client just prior to trial, unless released from the "cap" restraints and promised to pay an unlimited amount as they went forward.

In 2005 he took a new mortgage[1] on his house[2] to borrow six hundred forty thousand dollars to pay off the then current first mortgage and to fund the legal defense for the Oregon Coast Spine Institute. By a non-judicial trustee sale, Bank of America became title owner of the Hillcrest Property January 6, 2012. Shortly

[1] The interest rate on the note was 6.125%.
[2] 93734 Hillcrest Ln, North Bend, OR. ("Hillcrest Property")

thereafter it was determined that the deed issued pursuant to the trustee sale failed to include a certain lot line adjustment. A complaint[3] was filed in Coos County by Wells Fargo Bank to rescind the trustee deed; to reinstate the deed of trust; reformation of the deed of trust and foreclosure of the reformed deed of trust. The court granted the prayer of the complaint, and Wells Fargo Bank was awarded the right to foreclose on the property.[4] At the time of filing for bankruptcy protection Debtor believed that Wells Fargo Bank or its assigns[5] had completed the foreclosure sale as authorized by the court order. Based upon the foregoing Debtor objected to Claim No. 8-1 filed by Bank of America. In reply Bank of America has claimed that "The subject property, 93734 Hillcrest Lane, North Bend, OR (the "Property") has not been sold at a sheriff's foreclosure sale and title to the Property is still in Debtor's name."

He had to borrow around $475,000 from his parents. They secured the loan against the Oregon Coast Medical Park/Oregon Coast Development, LLC which subsequently was lost in foreclosure. The cost came to over $1,000,000 in attorneys' fees during the three years from 2004-2007!

Shortly after the trial ended, he came to realize that the toxic climate of his community was not going to end. He learned that with his practice and the medical center that there was a "perception of wealth." Shortly after the trial ended, he was served with a series of malpractice lawsuits. He came to learn that these, too, were supported and encouraged against him by the competitor orthopedic group in town. Once again, the lawsuits were frivolous and had no merit. His malpractice defense attorneys felt that all were frivolous and readily defensible.

He did not wish to settle any cases that had no merit. His attorneys agreed. He advised his malpractice insurance carrier that a settlement of substantial amount in his small community would have a very negative impact on his practice, similar to a guilty verdict at trial.

He advised them that settling frivolous cases would only encourage additional attorneys to file cases hoping for quick settlements.

He was advised by his insurance carrier: "It will cost us $500,000 just to go through trial and then after we have done that, there is still no guarantee that the jury will give you a defense verdict even if you haven't done anything wrong."

The insurance carrier viewed payment of claims as a business decision and that was in their best interest to just try to settle cases with a fixed cost, rather than try or defend the case. During trial they were winning. His attorney felt that the case was growing stronger as the case proceeded. On the eve of the last day of trial, on the day before closing arguments and jury deliberations, CNA illegally settled the case for $1.5 million dollars without his consent. They illegally represented to the other side that they had authority to settle, which they did not. The plaintiffs accepted the offer and the case was settled in 2009. The result was the financial devastation and assassination of his practice and professional life in Coos Bay. The decision by CNA to settle the case completely devastated him and his practice. He essentially lost the ability to generate income. His reputation was harmed such that he could not get a job elsewhere as a spine surgeon for a long time.

Immediately following the Gloria Mason settlement on a Friday, he was served with another frivolous malpractice lawsuit (the following Monday) on a David Sturdivant case, precisely as he had predicted. he went through another 2 year nightmare legal ordeal with this case. He threatened CNA with a lawsuit if they interfered again with the defense of his case. They allowed the case to go through trial this time and they won.

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[3] Coos County case no. 13CV0342

[4] The order of the court provided that the Plaintiff "shall not have the right to execute on any amount by which the unpaid balance of the money judgment exceeds the net sale proceeds payable to Plaintiff."

[5] Wells Fargo Bank assigned all of its interest in the judgment in case no. 13CV0342 to Bank of America on February 23, 2015.

In 2010, he went through a jury trial and received a defense verdict in his favor. With the threat from the insurance carrier that a loss at trial could cost him over $3,000,000, his wife decided that it was time to jump ship and left him with all of the debt. Unfortunately, in the midst of this nightmare, his income had also dwindled to almost nothing. Spousal and child support awarded at separation was $6,300.

He had also become "afraid of his patients" fearing that any one of them could become his next plaintiff in a frivolous malpractice case. He became almost "paralyzed" in his practice in that he could not do any of the more complex cases or fusion procedures for fear that the patients would sue or be encouraged to sue by the other group in town.

He tried endlessly to seek a job as an Orthopedic Spine surgeon anywhere in the country. With the black mark of a $1.5 Million settlement on his record, he was not "hire-able." Especially with the pending Sturdivant case (that he would win two years later), other employers were afraid to "touch" him with "a 10 foot pole." He also tried to sell the medical property to the hospital over the course of two years. " The property was appraised a couple times, each for around $6.5 Million. Under pressure from the competitive orthopedic group, the hospital backed out of the purchase. As he was unable to sell the property, foreclosure followed. The first Lien holder on the property was GE Capital for $1.8 Million. SBA was the second lien holder and with the foreclosure became unsecured in an unknown amount.[6] His parents were third at around $475,000. SBA should have purchased the property and paid GE, then market the $6.5 Million property for a profit above the auction price. Instead, the SBA stood by idle and allowed the asset/property to be purchased by GE capital and then sold for profit. By doing so, SBA not only hurt itself financially, it also left him with a residual debt in an unknown amount to the SBA

When he won the Sturdivant malpractice case he was finally able to land a job. He moved to Bremerton, WA on an employed contract basis. He was able to keep up with his support obligations and life expenses, but did not have significant "disposable" income to make a dent in his $2 Million in business debt. He pursued a lawsuit against CNA, but did not have the finances to pay for a high powered litigation team. As such, his attorney (who is a single practitioner in a small rural town, Coos Bay, Oregon) was crushed procedurally under a barrage of around 30 motions or so by CNA's five defense attorneys on the eve of trial. The case was dismissed in summary judgment and sits in appeals court with little hope of a positive outcome.

Over the course of the last year in Bremerton, it became apparent to him and his employer that spine surgery was not going to be financially sustainable in the area. There were two spine surgeons in Kitsap County. The other surgeon left Bremerton around 6 months before he did. During his last 6 months, he was the only surgeon in Kitsap County. He found that he did not have significant earning potential in Bremerton or the Pacific northwest given the present medical climate there.

B. CURRENT EMPLOYMENT:

His current "earnings" are somewhat of an aberration. This type of income is absolutely not available Washington or anywhere on the west coast.

His present employer, Finley Hospital, initially offered him only a two year guarantee. They had been searching for a spine surgeon for a couple of years and had not been able to get one. They were desperate to get a spine program started Dubuque, but did not have a spine surgeon. Because the move away from his family and home on the west coast would be such a drastic one, he did not feel that he could make it with only a two year guarantee. In the Orthopedic Surgery (and medical) world, employment contracts usually include a one or two year guarantee that is designed give incentive to doctors to sign on and accept the position. After that, the

[6] SBA received thru an attachment Debtor's tax refund.

employer stops providing a guarantee and the doctor then gets paid based on a portion of his production (minus costs, over-head, "internal taxation").

He finally was able to obtain a 4 year contact with Finley. He then moved away from his family for the 4 year stint. He moved on the condition and with the understanding/expectation that he could start over with a clean financial slate. When his contract expires, he expects that he will be placed on production in Dubuque, if Finley keeps him on. He estimates that his income would be about $150,000 per year or $12,500 per month. He also anticipates that at some point, Finley will try bring in a younger surgeon right out of fellowship. Therefore his income and his employment beyond the contract term of years is unknown. For this reason the term of the Plan has been set to two years to coincide with the end of his contract with Finley.

C. HEALTH ISSUES:

He was 50 years old in January 2016. He has a very limited number of earning years ahead of him because of various factors. There is no guarantee that he will have the opportunity to continue working and earning as a spine surgeon beyond his current contract.

Spine surgeons job is very stressful. It is both extremely physically and mentally demanding. He works 7 days a week. He is "on call" for spine related trauma and emergencies, essentially 24 hours a day, 7 days a week. This means that while the average American works 40 hours a week, his work week is much longer. His normal work day doesn't end. Instead he goes from office or surgeries at the hospital, essentially to a standby mode when he gets to his apartment in the evenings. He is also on call for Orthopaedic trauma and emergencies one out of every 4 days and at least one weekend a month. His surgery days are particularly physically exhausting. The spine surgeries that he performs require him to focus intensely and remain on task mentally for several hours on end. His shortest procedures are 1-2 hours. His longer surgeries can range 6-12 hours, during which he must stand in one position and work with his neck flexed downward to work on the patients.

This line of work takes its toll physically such that spine surgeons have 5-6 times the rate of spine problems/neck surgeries compared to the average population. That means that they have 500-600% better chance than the average person of having to have neck/spine surgeries ourselves. This data was recently presented to spine surgeons at the annual NASS (North American Spine Society) meeting.

On July 11, 2014, he underwent a spine fusion and instrumentation at the C5-6 level in his neck, because he was losing the use of his arms and hands. He had severe narrowing of his spinal canal at that level such that it was causing his spinal cord and nerves to be compressed leading to lightning-like pain that would shoot down his arms and periodic weakness/numbness in his arms. Fortunately, he had the surgery performed timely enough that it did not leave him with permanent weakness or numbness. He is more likely than the average person to require additional surgeries. It is highly probable, in fact, that he will require one or two more levels to be fused at some point in his remaining working years and certainly in his lifetime. There is no guarantee that he will be able to physically continue spine surgery in the long-term.

D. FAMILY BURDENS:

Family is everything to him. He desires to be close enough to interact with his children and his current partner. After he moved to Washington he commuted regularly back and forth on a 14 hour round-trip to Oregon, so that he could continue to be with his two children. He now has a son with his current partner who continues to reside in their home in Bremerton.

He incurs significant cost and time for travel to continue seeing his family/children in Coos Bay, OR and Bremerton, WA. The Debtor states: "A couple times each month, I must either pay to fly family out to see me, or I must take time off of work and fly out to see them. My sons in Oregon must either travel to Iowa from Oregon or I have to fly there to see them. Similarly, I must either pay for partner and son to travel to me from

Washington or I must travel to see them. I have essentially "deployed" to an entirely foreign region to me for the sole purpose of earning an income for my family. I have been forced into this position by the financial/debt burden that was entirely born out of business related issues. I can only justify working away from my family, under stressful "deployed" conditions but if I have the reassurance that my income will go to support my family, pay for their education and other needs. I cannot bear the current circumstances, however, if the result that my sacrifice and effort generates, is then merely diverted to pay my business debt."

E. Events Leading to Chapter 7 Filing on April 29, 2015 and conversion to Chapter 11 on September 14, 2015 are as follows:

Debtor filed for relief under Chapter 7 of the Bankruptcy Code on April 29, 2015 in an effort to deal with the substantial business debt associated with the Coos Bay practice. The Chapter 7 Trustee objected to the Chapter 7 filing under 11 USC 706(b) based upon the totality of the Debtor's financial circumstances and filed a motion to convert the matter to Chapter 11. On September 14, 2015 this court issued an ORDER GRANTING MOTION BY UNITED STATES TRUSTEE OF ORDER CONVERTING CHAPTER 7 CASE TO CHAPTER 11.

The Debtor appealed the decision of the court to convert the Chapter 7 case to a Chapter 11 case. On March 22, 2016, the Court affirmed the bankruptcy court's decision to convert the case from Chapter 7 to Chapter 11.

Debtor's schedules reveal that the value of non-exempt assets could be $464,626.08. These assets include cash in various accounts, totaling approximately $308,000. Other assets include the excess value of household goods, various guns, Seahawk's memorabilia and season tickets.

The accounts receivable shown in his schedule is "owned" by Oregon Coast Spine Institute, LLC, an Oregon LLC.. Oregon Coast Spine Institute, LLC was dissolved by the Oregon Secretary of State February 22, 2013 for late annual report and payment of fees. There has been no reinstatement. The "face value" of th receivables was $101,241.86. Collections on the accounts receivable have been very slow and many of those receivables may not be collectible. Currently, the collection agency sends checks to Oregon Coast Spine Institute, which checks are being held by the Debtor in lieu of deposit as the LLC needs to be formally dissolved.

There were also various other assets with an indeterminate current value, including a claim against CNA that is currently under appeal.

F. View Toward the Future

Dr. Parvin is currently employed under a contract with Unity Point Health, Finley Hospital, 350 N Grandview Avenue, Dubuque, IA 52001-6393. He has been employed, under contract, at this position since January 2, 2015. The contract ends January 1, 2019. The Debtor has no assurance of his future income.

The Debtor's view of this involuntary Chapter 11 is: "I can only justify working away from my family, under stressful "deployed" conditions but if I have the reassurance that my income will go to support my family, pay for their education and other needs. I cannot bear the current circumstances, however, if the result that my sacrifice and effort generates, is then merely diverted to pay my business debt."

As of the Month ending June 30, 2016, Debtor had in checking/savings accounts the amount of $308,368.91. As of October 31, 2015 [first monthly report after involuntary conversion] of filing the amount in checking/savings accounts was $210,617.25. Approximately $50,000 of the amounts in the checking account is his to retain only if he completes the current employment contract. The primary source of the increase in checking/savings accounts was the signing bonus received from his current employer. As part of proposed

payment to creditors, Debtor, will agree to commit $150,000 (50% of the amounts retained in the checking/savings account) toward prorata payment of unsecured creditors with approved claims.

G. The Proposed Plan of Reorganization

Plan of Reorganization is attached hereto as Exhibit "A".

A detailed Income/Expense Analysis of Debtor's Plan of Reorganization is attached hereto as Exhibit "B". The primary source of income for the Debtor is earnings from Unity Point Health, Finley Hospital, 350 N Grandview Avenue, Dubuque, IA 52001-6393. He has been employed, under contract, at this position since January 2, 2015. The contract ends January 1, 2019. The Debtor has no assurance of his future income past the end of the current contract. Major factors regarding affecting future employment are 1) age; 2) physical health; and 3) prior malpractice claims.

The term of the Plan of Reorganization has been set at five (5) years. This extends the Plan Payment requirements beyond the end of the Debtor's current employment contract that ends on January 1, 2019. Under the Plan of Reorganization there would be the following payments to the unsecured creditors: 1) within 30 days of confirmation of the Plan of Reorganization, the Debtor would pay a lump sum of $150,000 pro-rata to unsecured creditors with approved claims and 2) during the five year term of the Plan, the Debtor would pay the unsecured creditors the sum of approximately $300,000 from his future earnings for a total payment to the unsecured creditors of $450,000.

The Chapter 7 liquidation analysis shows that the unsecured creditors would receive approximately $363,067.15 if the case were liquidated under Chapter 7.

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in Schedules filed with Debtor's petition for bankruptcy protection.

The Debtor's most recent financial statements issued before bankruptcy were filed with the Court and are available from the court or upon written request to Debtor's attorneys David Carl Hill, 2472 Bethel Rd. SE, Port Orchard, WA 98366 [Telephone 360-876-5015; E-mail office@hilllaw.com].

I. Property Ownership and Financing

The Debtor's interest in the parcels of real property within this estate are as follows:

TITLE OWNER	PROPERTY
Parvin Family Trust (61.28%) and Dr. Dara Parvin (38.72%)	Home and real property located at 6080 Osprey Circle, Bremerton, WA 98312. Value based on Zillow.com. Property purchased on 7/21/14 for $322,000. Debtor filed declaration of homestead on February 17, 2016. The property was purchased July 16, 2014 with the Parvin Family Trust being titled to 80% and Dara Parvin 20% On January 12, 2015, in consideration for payment of $60,443.20 The Parvin Family Trust deeded to Dara Parvin an additional 18.72% interest in the property.
Parvin, Dara & Linet, Trustees For Paradise Point Holdings Trust	House and real property located at 93734 Hillcrest Lane, North Bend, OR. By a non-judicial trustee sale, Bank of America became title

	owner of the Hillcrest Property January 6, 2012. Shortly thereafter it was determined that the deed issued pursuant to the trustee sale failed to include a certain lot line adjustment. A complaint[7] was filed in Coos County by Wells Fargo Bank to rescind the trustee deed; to reinstate the deed of trust; reformation of the deed of trust and foreclosure of the reformed deed of trust. The court granted the prayer of the complaint, and Wells Fargo Bank was awarded the right to foreclose on the property.[8] At the time of filing for bankruptcy protection Debtor believed that Wells Fargo Bank or its assigns[9] had completed the foreclosure sale as authorized by the court order. Based upon the foregoing Debtor objected to Claim No. 8-1 filed by Bank of America. In reply Bank of America has claimed that "The subject property, 93734 Hillcrest Lane, North Bend, OR (the "Property") has not been sold at a sheriff's foreclosure sale and title to the Property is still in Debtor's name." Debtor intends to abandon the property and allow the creditor to foreclose.

Note: Debtor has no interest in the Parvin Family Trust, ownership or otherwise.

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

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

As required by the Code, the Plan of Reorganization places claims and equity interests in various classes and describes the treatment that each class will receive. The Plan of Reorganization also states whether each class of claims or equity interests is impaired or unimpaired.

If the Plan of Reorganization is confirmed, your recovery will be limited to the amount provided by the Plan of Reorganization. And the Plan creates contract between the Debtor and the Creditors as to the provisions for the amount and payment of the indebtedness.

B. Unclassified Claims

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

1. **Administrative Expenses**

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under §507(a)(2) of the Code. Section 1129(a)(9) of the Code requires that all §507(a)(2)

[7] Coos County case no. 13CV0342

[8] The order of the court provided that the Plaintiff "shall not have the right to execute on any amount by which the unpaid balance of the money judgment exceeds the net sale proceeds payable to Plaintiff."

[9] Wells Fargo Bank assigned all of its interest in the judgment in case no. 13CV0342 to Bank of America on February 23, 2015.

administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition.

2. **Priority Tax Claims**

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

C. Classes of Claims and Equity Interests

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

1. **Classes of Secured and Unsecured Claims**

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

The classes of Debtor's secured and unsecured prepetition claims and his proposed treatment as follows: [See ARTICLE II of the Plan of Reorganization for details of individual treatment].

Class 1: Administrative and Priority--All allowed claims entitled to priority under §507 of the Code (except administrative expense claims under §507(a)(2) and priority tax claims under §507(a)(8)).

Class 2A: Debtor's Family Residence. There are no claims. Debtor has a 38.72% interest in the property. His parents have a 61.28% interest through the parents' family trust. Debtor's interest is subject to the statutory homestead exemption. The value of the residence using Kitsap County valuations was: for 2015 $314,870; for 2016 $318,400; and for 2017 $329,830. Thus based upon the current 2016 valuation, Debtor's interest in the property is $123,284.28.

Class 2B: House and real property located at 93734 Hillcrest Lane, North Bend, OR.

Bank of America has claimed that "The subject property, 93734 Hillcrest Lane, North Bend, OR has not been sold at a sheriff's foreclosure sale and title to the Property is still in Debtor's name. By court order in Coos County Case No. 13CV0342 no deficiency may be had upon foreclosure of the property. Debtor will allow the property to go to foreclosure. A foreclosure will satisfy the Bank of America Claim in full.

Class 3A: Unsecured administrative priority claims allowed under §507(a)(2) of the Code. Debtor will pay the Class 3A Administrative Claims in an amount as approved by the court. To the extent the attorneys' fees exceed the net amounts deposited by Debtor and approved by the court, within 60 days of the effective Date of the Plan, Debtor shall pay the balance of the approved attorneys fees.

Class 3B: General Unsecured Creditors – Pursuant to the calculated Chapter 7 liquidation value of the Debtor's estate (Exhibit "C" updated as of August 31, 2016) shows that the unsecured creditors, with approved claims, would receive approximately $363,067.15 if the case were liquidated under Chapter 7.

The Plan of Reorganization provides for two (2) types of payment to the unsecured creditors, with approved claims, for a total distribution of $450,000:

1) that upon confirmation of the Plan of Reorganization, the Debtor will pay a lump sum of $150,000

pro-rata to unsecured creditors with approved claims; and

2) the Plan of Reorganization provides a monthly payment for the period of 60 months of approximately $5,128.13 per month to the unsecured creditors with approved claims, for a total distribution of approximately $300,000 to the unsecured creditors. Interest unpaid balances under the Plan will receive 1% [annual] on the unpaid portion to be paid under the Plan. [See Exhibit "B".]

The unsecured approved creditors to be paid less than $1,000 under the Plan of Reorganization will be paid before payment commences to the other unsecured creditors, in the order of the amount to be paid under the Plan.[10] Thus, some of the creditors with small claims will be paid the amount set forth in the Plan in full with the first payment. From that point payments under the plan will be distributed pro-rata to the remaining unsecured creditors.

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (2), (3), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment. Debtor is aware of only one claim (IRS) under §507(a) except §507(a)(2) administrative priority unsecured claims.

3. Class of Equity Interest Holders

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

As the Debtor has filed as an individual, there are no classes of Equity Interest Holders.

IV. CLAIMS OBJECTIONS

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

V. MEANS OF IMPLEMENTING THE PLAN

The source of payments to holders of Allowed Claims shall be from Debtor's employment with Unity Point Health, Finley Hospital.

Based upon the current income and expenses, the Debtor believes that he will be able to meet the obligations set forth in the Plan. [See Exhibit "B"]

VI. RISK FACTORS

The viability of the Plan has the risks associated with Debtor's continued employment, which appears to be reasonably secure over the term of the Plan, the Debtor will be able to meet the terms and conditions of the

[10] This will avoid substantial administrative costs to the estate. There are a number of small creditors to whom the monthly payment would be less than $5.00 and some where the monthly payment would be less than $1.00. [See Exhibit "B"]

Plan of Reorganization.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

a. The Debtor currently has an unexpired lease of a 2014 VW Touareg automobile leased from VW (Volkswagen) Credit, 1401 Franklin Blvd., Libertyville, IL 60048. Debtor hereby assumes this lease.

b. The Debtor is currently under an employment contract with Unity Point Health, Finley Hospital, 350 N Grandview Avenue, Dubuque, IA 52001-6393. He has been employed, under contract, at this position since January 2, 2015. The contract ends January 1, 2019. The Debtor has no assurance of his future income. Debtor will assume his current contract of employment with Unity Point Health, Finley Hospital **concurrent with confirmation of the Plan of Reorganization**. Debtor reserves all options with respect to assumption or rejection of the contract if an acceptable Plan of Reorganization cannot be confirmed.

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

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract is as required by 11 U.S.C. 365(d)(4)(i). Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

VIII. CONSEQUENCES RELATED TO NON-APPROVAL OR APPROVAL OF THE PLAN

A. Consequences of approval of "The Plan"

In the event that the plan is approved, all creditors will be paid in accordance with the terms of the Plan. All priority taxes will be paid in accordance with properly and timely filed proofs of claim.

B. Consequences of non-approval of "The Plan"

If the plan is not confirmed, the case may be dismissed or converted to a Chapter 7 or the court could appoint a trustee as sought by the U.S Trustee. If a trustee is appointed by the court, the conditions absent in the Debtor's earlier appeal will come into being. That is: the Debtor will have standing to bring a constitutional challenge pursuant to Article 13 of the United States Constitution and the matter will be ripe for the court to entertain the constitutional issues. Under such conditions, after the costs of litigation, not much would be available for the unsecured creditors. [See Section X. Liquidation Analysis.]

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

IX. CONFIRMATION REQUIREMENTS AND PROCEDURES

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

confirmation.

A. Who May Vote or Object

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

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

In this case, the Debtor believe that Classes 2A, and 3B are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

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

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

NOTE: Each creditor is required to file its claim with the court within the time allowed for filing claims. The Bar Date for claims in this matter is November 16, 2016.

C. What Is an Impaired Claim or Impaired Equity Interest?

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

D. Who is Not Entitled to Vote

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

1. **holders of claims and equity interests that have been disallowed by an order of the Court;**

2. **holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.**

3. **holders of claims or equity interests in unimpaired classes;**

4. **holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and**

5. **holders of claims or equity interests in classes that do not receive or retain any value under the Plan;**

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the

Plan and to the Adequacy of the Disclosure Statement.

E. Who Can Vote in More Than One Class

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

F. Votes Necessary to Confirm the Plan

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

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

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

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

2. **Treatment of Nonaccepting Classes**

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

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

G. 11 U.S.C. 1129(a) Detailed Requirements

Set forth below are the specific requirements of 11 U.S.C. 1129(a)(1) through (15) together with Debtor's response as to the applicability of the provisions to the Plan of Reorganization as proposed. As to a number of the provisions, Debtor can only speculate as to creditor response. As the Debtor has been forced into this involuntary Chapter 11 case, if the creditors or the court require the application of the "absolute priority" rule[11] to this individual, there is no plan that can be proposed to satisfy that rule without violation of Article 13 of the United States Constitution that provides:

[11] Discussed hereafter with respect to the application of 11 U.S.C. 1129(a)(15).

Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. .

11 U.S.C. 1129(a) detailed:

11 U.S.C. 1129(a)(1) The plan complies with the applicable provisions of this title.

- Debtor is of the belief that the Plan of Reorganization complies with the applicable provisions of the title.

11 U.S.C. 1129(a)(2) The proponent of the plan complies with the applicable provisions of this title.

- Debtor is of the belief that the Debtor as proponent of the Plan of Reorganization complies with the applicable provisions of the title.

11 U.S.C. 1129(a)(3) The plan has been proposed in good faith and not by any means forbidden by law.

- Debtor is of the belief that the Plan of Reorganization has been proposed in good faith and not by any means forbidden by law.

11 U.S.C. 1129(a)(4) Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.

- Debtor is of the belief that any payments by the Debtor for services or for costs and expenses in or in connection with the case, or in connection with the Plan of Reorganization and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.

11 U.S.C. 1129(a)(5)(A)(i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(B) The proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

- Debtor is of the belief that the provisions of subsection (a)(5) are not applicable to this matter as the Debtor is an individual involuntarily required by the court to file for relief under Chapter 11.

11 U.S.C. 1129(a)(6) Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

- Debtor is of the belief that the provisions of subsection (a)(6) are not applicable to this matter.

11 U.S.C. 1129(a)(7) With respect to each impaired class of claims or interests—

(A) each holder of a claim or interest of such class—

(i) has accepted the plan; or

- Debtor is of the belief that the provisions of subsection (a)(7)(A)(i) are not applicable to this matter as the Plan of Reorganization meets the standard set forth in (7)(A)(ii) in that each holders of claims in Classes 2A, 3A and 3B (unsecured creditors) will receive/retain an interest in the particular property that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of the bankruptcy code. Debtor doubts that there will be any favorable votes for the Plan of Reorganization. There are no secured creditors in this matter,[12] only unsecured.

(ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date; or

- Debtor is of the belief that the provisions of subsection (a)(7)(A)(ii) are applicable to this matter as the Plan of Reorganization in that each holder of claims in Classes 2A, 3A and 3B (unsecured creditors) will receive/retain an interest in the particular property that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of the bankruptcy code. Debtor did originally apply for relief under Chapter 7 of the code, but the Chapter 7 Trustee objected to the Chapter 7 filing under 11 USC 706(b) based upon the totality of the Debtor's financial circumstances and filed a motion to convert the matter to Chapter 11. The motion was granted and the matter was converted to Chapter 11 by the court.

(B) if section 1111(b)(2) of this title applies to the claims of such class, each holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

- Debtor believes that subsection (a)(7)(B) is not applicable to this matter as there are no applicable creditor claims "secured by a lien on property of the estate."[13]

11 U.S.C. 1129(8) With respect to each class of claims or interests—

(A) such class has accepted the plan; or

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[12] Except for Bank of America. As a creditor Bank of America's claim is unimpaired and limited by order of court in Coos County Superior Court Case No. 13CV0642. The crditor

[13] 11 U.S.C. 1111(b)(1)(A) that provides: *(A) A claim secured by a lien on property of the estate shall be allowed or disallowed under section 502 of this title the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder has such recourse, unless— (i) the class of which such claim is a part elects, by at least two-thirds in amount and more than half in number of allowed claims of such class, application of paragraph (2) of this subsection; or (ii) such holder does not have such recourse and such property is sold under section 363 of this title or is to be sold under the plan.*

- Debtor cannot comment as to the applicability of section (a)(8)(B), as the Plan of Reorganization has not been submitted to the creditors for a vote to accept or reject.

(B) such class is not impaired under the plan.

- Class 3B is impaired. Debtor cannot comment as to the applicability of section (a)(8)(B), as the Plan of Reorganization has not been submitted to the creditors for a vote to accept or reject.

11 U.S.C. 1129(a)(9) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that—

(A) with respect to a claim of a kind specified in section 507 (a)(1) or 507 (a)(2) of this title, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

- Debtor believes that the requirements of subsection (a)(9)(A) have been met. Debtor has provided for payment of any section 507 (a)(1)(A) or (B) claims. (See paragraph 2.01 of the Plan of Reorganization.)

- Debtor's attorneys have agreed to a payout schedule for their 507(a)(2) administrative claim as set forth in the Plan of Reorganization.

(B) with respect to a class of claims of a kind specified in section 507 (a)(3), 507 (a)(4), 507 (a)(5), 507 (a)(6), or 507 (a)(7) of this title, each holder of a claim of such class will receive—

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim;

- Debtor believes that subsection (a)(9)(B)(i) and (ii) are not applicable to this matter as there are no claims of the kinds specified in section 507 (a)(3), 507 (a)(4), 507 (a)(5), 507 (a)(6), or 507 (a)(7).

(C) with respect to a claim of a kind specified in section 507 (a)(8) of this title, the holder of such claim will receive on account of such claim regular installment payments,

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim

(ii) over a period not exceeding 5 years after the date of the order for relief under section 301,302, or 304; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b)); and.

- Debtor believes that subsection (a)(9)(C) is not applicable to this matter as there are no claims of the kind specified in section 507 (a)(8).

(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same

period, as prescribed in subparagraph (C).

- Debtor believes that subsection (a)(9)(D) is not applicable to this matter as there are no claims of the kind specified in section 507 (a)(8).

11 U.S.C. 1129(a)(10) If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider.

- Debtor cannot comment as to the applicability of section (a)(10) as the Plan of Reorganization has not been submitted to the creditors for a vote to accept or reject.

11 U.S.C. 1129(a)(11) Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

- Debtor believes that the Plan of Reorganization is sufficiently strong that the Debtor will not need further financial reorganization. This belief is supported by the Debtor's income as projected for the term of the plan will be sufficient to meet the obligations of the Debtor under the plan.

11 U.S.C. 1129(a)(12) All fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan.

- The fees payable by the Debtor have been paid or will be paid by the effective date of the Plan of Reorganization.

11 U.S.C. 1129(a)(13) The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of this title, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114 of this title, at any time prior to confirmation of the plan, for the duration of the period the debtor has obligated itself to provide such benefits.

- Debtor is of the belief that the provisions of subsection (a)(13) are not applicable to this matter.

11 U.S.C. 1129(a)(14) If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

- Debtor is of the belief that he has met the provisions of subsection (a)(14). Claims arising under §§507(a)(1)(A) and 507(a)(1)(B) are allowed claims for domestic support obligations of the Debtor. Those domestic support obligations of the Debtor are for his former spouse and children. The current obligation is $6,300 per month. Payments of this obligation shall continue under the Plan of Reorganization in accordance with current and future court orders. The obligation for these payments is shown on Exhibit "B".

11 U.S.C. 1129(a)(15) In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan--

(A) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

- Under the Plan of Reorganization the "property" to be distributed to the unsecured creditors under the Plan is less than the amount of the claims. Thus Debtor believes that the provisions of subsection (a)(15)(A) are not applicable to this matter.

11 U.S.C. 1129(a)(15)(B) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

- The Debtor's disposable income can be projected only for the term of his contract with his current employer. That term is 2 years, the contract expiring on January 1, 2019. After that date the Debtor cannot rely upon any future income.[14] Therefore the projected disposable income under the Plan of Reorganization is that income to be received under the contract with his current employer for the period up to January 1, 2019. It is speculation to impute income after the expiration of the Debtor's contract with his current employer. Notwithstanding, Debtor has proposed to pay $5,128.13 per month for a period of 60 months for a total of $300,000 to the unsecured creditors.

- **Debtor would therefore encourage all creditors and other parties to this matter to review the Plan of Reorganization carefully and examine the benefits to the creditor of approval of the Plan versus disapproval of the Plan before filing objections to the Plan of Reorganization, if any.**

11 U.S.C. 1129(a)(16) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

Debtor is of the belief that the provisions of subsection (a)(16)(B) are not applicable to this matter as the Debtor is an individual and no property, other than cash, is being distributed under the Plan of Reorganization.

X. LIQUIDATION ANALYSIS

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation value of the estate. The pre-bankruptcy source of funds for the Debtor came from the earnings of Debtor.

The total value of Debtor assets is approximately $1,478.188, $831,250 in real property and $646.938 in personal property. Against those assets are approximately $532,794 in "secured" claims, approximately $349,101 Schedule D unsecured claims and $2,953,000 Schedule F unsecured claims and approximately

[14] See discussion above at pages 9 and 10 regarding Debtor's health issues.

$360,157 in exemptions. The value of Debtor's interest in real property as listed in his petition is 37.82 percent of $322,000 or $124,678. Debtor has filed a homestead with respect to this equity. The Oregon property will be allowed to go to foreclosure as there is no equity. Debtor's interest in non-exempt property is approximately $385,597 and after Chapter 7 Administrative approximately $363,067 would be available to the unsecured creditors based upon the estate condition as of August 31, 2016 monthly report. [See Exhibit "C" - Liquidation Summary.]

The total distribution to the unsecured creditors under the Plan of Reorganization would be $450,000.

XI. FEASIBILITY

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

A. Ability to Initially Fund Plan

The Debtor believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date.

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

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

The Debtor has provided herewith projected financial information for the Plan of Reorganization. [See Exhibit "B"] The Debtor's financial projections, under the Plan, show that the Debtor will, from his current income be able to pay his personal expenses and Plan Payments.

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

XII. EFFECT OF CONFIRMATION OF PLAN

A. Discharge Of Debtor

Discharge. Confirmation of the Plan does not discharge any debt provided for in the Plan until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in §1141(d)(5) of the Code. Debtor will not be discharged from any debt excepted from discharge under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

B. Modification Of Plan

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

The Debtor may also seek to modify the Plan at any time after confirmation if (1) the Plan has not been substantially consummated and the Court authorizes the proposed modifications after notice and a hearing or (2) circumstances relating to Debtor's financial condition indicate that such modification will substantially benefit the estate and the creditors and the Court authorizes the proposed modifications after notice and a hearing.

XIII. FINAL DECREE

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of

Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

The Reorganized Debtor may apply for an order closing the case for administrative purposes, while retaining the right to reopen the case at a later date to file a final report and obtain an order of discharge. Any such application for an order closing the case for administrative purposes by the Reorganized Debtor shall include a certification by the United States Trustee that the quarterly fees payable pursuant to 28 U.S.C. have been paid in full.

/s/ Dara Parvin _
DARA PARVIN

Approved

/s/ Jerry Cahan
David Carl Hill, WSBA #9560
Jerry Cahan, WSBA #41675
Attorneys for Debtor