

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON AT TACOMA**

In re:

GRANVILLE BRINKMAN and  
ROBBIN BRINKMAN,

Debtors.

Case No. 15-44496

DEBTORS' DISCLOSURE STATEMENT

Accompanying this Disclosure Statement is a Chapter 11 plan proposed by the above-named individual Debtors (the "Plan"). The Debtors attest that the information stated in this Disclosure Statement and the Plan is accurate. All Creditors should refer to the Plan for the specific treatment of their claims. This Disclosure Statement is explanatory only; the language used in the Plan is binding. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one.**

**EFFECTIVE DATE OF THE PLAN:** The Effective Date of the Plan is 14 days following the date of entry of the order confirming the Plan unless a stay of the confirmation order is in effect, in which case the Effective Date will be the first business day after the date on which the stay of the confirmation order has been lifted, provided that the confirmation order has not been vacated.

**Part 1**

**Proposed Treatment of Claims**

**A. Unclassified Claims: Administrative Priority Claims and Priority Tax Claims**

Holders of administrative priority claims are entitled to priority pursuant to § 507(a)(2) of the Bankruptcy Code including (i) professional fees and costs; (ii) United States trustee's fees; and (iii) postpetition domestic support obligations. Such claims shall be paid in full on, or as soon as practicable after, the Effective Date or upon allowance of such claim, whichever is later.

Holders of priority tax claims are entitled to priority under § 507(a)(8). Article 2 of the Plan addresses treatment of these claims. Such claims, if any, shall be paid in full over five years from the date of the entry of the order for relief with in equal annual amortized payments according to § 511 of the Bankruptcy Code, as stated in Article 2.c.

**B. Secured Creditors (Classes 1 through 4)**

See Article 3 of the Plan.

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600 STEWART STREET  
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- Serkland Law Firm: Attorney Lien Secured by the North Dakota Judgment
- Northwest Investing, LLC: First Position Deed of Trust on Real Property Owned by Sharp Properties, LLC, and Second Position Deed of Trust on Real Property Owned by Sharp Properties, LLC
- Estate of William Looney: First Position Deed of Trust on Real Property Owned by Debtors

**C. Judgment Lien Creditors (Class 5)**

Judgment lien creditors' treatment is addressed in Article 3 of the Plan in Class 5. All judgment lien creditors are treated as wholly unsecured, with judgment liens to be avoided as of the Effective Date, and Class 5 Claims are paid as general unsecured creditors.

- Brian W. Hicks Revocable Trust: Joint and Several Owner of Part 1 of the North Dakota Judgment through Ownership of Brinkman Investments, LLC; Owner of the Hicks Judgment (King County Superior Court case no. 14-2-07850-1)
- Developers Surety & Indemnity Co.: Pierce County Superior Court case no. 14-2-11700-6
- Granville Condominium: Pierce County Superior Court case no. 13-2-14871-0
- Sunbelt Rentals, Inc.: Pierce County Superior Court case no. 14-2-08288-1
- Union Bank, NA: Pierce County Superior Court case no. 12-2-06973-1

**D. Brian Hicks Revocable Trust (Class 6)**

The claim of the Brian Hicks Revocable Trust, to be paid in part or in full through ownership of Brinkman Investments, LLC, is dealt with in Article 3 of the Plan in Class 6.

**E. Guaranty Claims (Class 7)**

Treatment of creditors with claims based upon a guaranty by the Debtors are dealt with in Article 3 of the Plan in Class 7.

**F. General Unsecured Creditors (Class 8)**

Unsecured creditors' treatment is addressed in Article 3 of the Plan in Class 8. Unsecured creditors will be paid approximately .002% of their claims based upon the plan payments. The Debtor will pay unsecured creditors \$3,608.28 annually to be shared pro-rata amongst all unsecured creditors, with a higher payment in the fifth year of \$2,537 per month times the number of months from the fifth anniversary of the Petition Date to the fifth anniversary of the Effective Date. A list of unsecured creditors is included as Exhibit A to this Disclosure Statement. However, if the Debtors realize full recovery on the North Dakota Judgment, the unsecured class could receive up to an additional \$500,000 to \$600,000, to be split pro rata, and payment could be as high as 14 percent.

**G. Executory Contracts and Unexpired Leases**

(1) Executory Contracts and Leases Assumed. On the Effective Date, the Debtor assumes the

1 executory contracts and unexpired leases enumerated in Exhibit A to the Plan and shall perform all  
2 preconfirmation and postconfirmation obligations thereunder. Any preconfirmation arrearages shall be  
3 paid by the Effective Date unless the parties agree otherwise, or unless the court finds that a proposed  
4 payment schedule provides timely cure and adequate assurance of future performance. Postconfirmation  
5 obligations will be paid as they come due.

6 (2) Executory Contracts and Leases Rejected. The Debtor is conclusively deemed to have  
7 rejected all executory contracts and/or unexpired leases not previously assumed or listed in Exhibit A to  
8 the Plan as of the Effective Date. Claims arising from the rejection of an executory contract or unexpired  
9 lease under this section are general unsecured claims in Class 8, except to the extent this court orders  
10 otherwise. A proof of claim arising from the rejection of an executory contract or unexpired lease under  
11 this section must be filed no later than 30 days after the date of the order confirming the Plan.

#### 12 **H. Discharge**

13 Upon completion of the payments under the Plan, the Debtor may receive a discharge of  
14 preconfirmation debts, except such discharge shall not discharge the Debtor from any debts that are  
15 found nondischargeable under § 523 or are obligations created by the Plan. The payments promised in  
16 the Plan constitute new contractual obligations that replace the preconfirmation debts proposed to be  
17 discharged. Creditors may not sue to collect on these obligations so long as the Debtor is not in material  
18 default under the Plan. If the Debtor materially defaults in performing the Plan, affected creditors may  
19 sue the Debtor to enforce the terms of the Plan or to dismiss this case or to convert it to a case under  
20 chapter 7 of the Bankruptcy Code. See Article 11 of the Plan.

### 21 **Part 2** 22 **Voting on Confirmation of Plan**

23 **A. Who may vote:** Only impaired creditors are entitled to vote (*see* § 1124). A creditor is  
24 entitled to vote on confirmation of the Plan unless (i) the creditor's class is unimpaired (presumed to  
25 accept the Plan) or is to receive no distribution (presumed to reject the Plan); (ii) an objection has been  
26 filed to that creditor's claim; (iii) that creditor's claim is scheduled by the Debtor as contingent, disputed,  
unliquidated, or unknown and the creditor has not filed a proof of claim; or (iv) the claim is unclassified  
(and thus required by law to be paid in full). A creditor whose claim has either been objected to or has  
been scheduled by Debtor as contingent, disputed, unliquidated, or unknown or who has not filed a proof  
of claim, and who wishes to vote, must move to have its claim allowed for voting purposes by filing a  
motion for such relief in time for that motion to be heard before the hearing on confirmation of the Plan.  
A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim is  
entitled to accept or reject a Plan in each capacity by delivering one ballot for the secured part of the  
claim and another ballot for the unsecured portion of the claim.

**B. How to vote:** This ballot must be mailed to Nathan Riordan, Riordan Law, PS, 600  
Stewart Street, Suite 1300, Seattle, WA 98101. IN ORDER TO BE TABULATED, YOUR BALLOT  
MUST BE RECEIVED AT THE INDICATED ADDRESS BY NOT LATER THAN 5:00 PM  
PACIFIC, \_\_\_\_\_, 2016. FAILURE TO VOTE OR A VOTE TO REJECT THE PLAN  
WILL NOT AFFECT THE TREATMENT TO BE ACCORDED A CLAIM OR INTEREST IF THE  
PLAN IS NEVERTHELESS CONFIRMED.

**C. Effect of vote:** The Plan will be confirmed only if (i) it is accepted by each impaired class, or (ii) it is accepted by at least one impaired class exclusive of insiders (as defined by §101(31)) and the court determines that the Plan is “fair and equitable” (as defined by §1129(b)) to all rejecting classes of creditors, and it meets all of the other criteria required for confirmation. A class of creditors accepts the Plan if it is accepted by a majority in number and at least two-thirds in dollar amount of the creditors in that class timely voting.

### **Part 3**

### **Liquidation Analysis**

The Debtors have calculated the liquidation value of each of the Debtors' assets listed on the Debtors' filed Schedules A and B, as amended. The Debtors arrived at the net liquidation values that are subject to liens by deducting from the value of the assets the amount of the secured liens and any applicable sales costs, fees, and taxes. The value of items exempt from creditors is excluded from the net liquidation value. The liquidation analysis is attached hereto as Exhibit B. One item of note is the North Dakota Judgment, for which the Debtors have entered the amount of "unknown." As detailed elsewhere in this document and in the Plan, the Debtors are splitting the net amount of the judgment, after payment of an attorney's lien, with a judgment creditor of the Debtors, and then committing 100% of the funds the Debtors receive to pay priority and unsecured creditors. Regardless of whether the Debtors receive full value or nothing, the Debtors are committing all of what they receive to pay creditors.

## Part 4

### Projected Disposable Income Analysis

Pursuant to 11 U.S.C. §1129(a)(15), the Debtors are required to commit their disposable monthly income, as defined by 11 U.S.C. §1325(b)(2) to their general unsecured creditors. The amount is to be calculated as of the date the first payment is due under the Plan. Assuming that the Plan is confirmed in December 2016, the first payment would be due in September 2017 for taxes and December 2017 for unsecured creditors. The Debtors have prepared an analysis of their projected disposable income, calculated as required by § 1325(b)(2), and a copy of the Debtors' projections calculating projected disposable income is attached as Exhibit C. An annual projection of plan payments is attached as Exhibit D. From the income, the Debtors deducted their business and personal expenses. The Debtors no longer receive the loan payment from Dickinson Investments, LLC, as that entity is insolvent and is in receivership in North Dakota.

## Part 5

### Best Interests of the Creditors

If any holder of a claim or interest does not accept the Plan, the Court must determine that each holder of a claim will receive or retain under the Plan, on account of that holder's claim, property having a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors' assets were liquidated under Chapter 7 of the Bankruptcy Code on such date. This is the "best interests of creditors" standard. As discussed in Part 3 of this Disclosure Statement, in the event of liquidation, unsecured creditors would not realize more and would realize substantially less than they will receive under the Plan. The Debtors believe the Plan satisfies this test.

## Part 6

1 **Feasibility & History**

2 The Debtors must establish that confirmation of the Plan is not likely to be followed by the need  
3 for further financial reorganization. Debtors are confident the Plan is feasible and that the Bankruptcy  
4 Court will agree. A Bankruptcy Court finding of feasibility does not guarantee that the Debtors will  
successfully complete or pay all of their obligations under the Plan.

5 Bankruptcy Case: The Debtors filed their voluntary Chapter 11 petition on September 28, 2015.  
6 The Bankruptcy Court authorized the Debtors' employment of their bankruptcy attorney, Riordan Law,  
PS, on October 22, 2015.

7 On November 17, 2015, the court approved the Debtors' employment of special counsel  
8 Serkland Law Firm ("Serkland") and special counsel Turman & Lang, Ltd. ("Lang") with respect to  
representation of the Debtors in North Dakota litigation matters. Employment of the Debtors'  
9 accountant, Contract Controllers CPA's P.S., was also approved on November 17, 2015. On December  
3, 2015, the court granted Riordan Law, PS its first award of interim attorney's fees in the amount of  
\$33,117.30.

10 On May 20, 2016, the court authorized the Debtors' employment of Mark Foley and RE/MAX  
11 Metro as their real estate with respect to possible sale of the Debtors' condominium located at 201  
12 Broadway, Unit A, in Tacoma, Washington (the "Condo"). In May 2016, the Debtors submitted  
applications for court authorization to pay some of the legal fees incurred by Serkland and Lang;  
13 however, the United States Trustee objected to some of the requested fees, because of when some of the  
work was performed, and because some work was performed on behalf of other entities as well as the  
14 Debtors. (See section on North Dakota Judgment, below.)

15 North Dakota Judgment: The Debtors, in conjunction with Brinkman Investments, LLC,  
Hawk's Landing I, LLC, New Care Health Care of North Dakota, LLC, and New Care Management,  
16 LLC were respondents and counterclaimants in litigation brought by Dickinson Investments, LLC,  
Dickinson State University Foundation ("the Foundation"), and other entities in North Dakota. Serkland  
17 represented the Debtors and all the other respondents. The underlying litigation was extremely complex  
and involved the wrongful expulsion of Hawks Landing I, LLC and Brinkman Investments, LLC  
18 (partially owned by the Debtors) from Dickinson Investments, LLC. The underlying litigation also  
involved issues related to allegedly delayed and defective construction for a construction project for the  
19 expansion of the Hawk's Point senior living facility, which is a senior living facility located in  
Dickinson, North Dakota, in which Dickinson Investments, LLC invested. The litigation was further  
20 complicated by the fact that the Debtors' other entities, New Care Management, LLC, which managed  
the Hawk's Point senior living facility, and New Care Health Care of North Dakota, LLC, which  
21 managed the affairs of Dickinson Investments, LLC, had their contracts terminated by Dickinson  
Investments, LLC. In addition, the opposing parties in the underlying litigation alleged that forensic  
22 accounting had uncovered wrongful accounting practices by another entity, Senior Services of America,  
with whom New Care Management, LLC had contracted to provide the day-to-day management of  
23 Hawk's Point senior living facility.

24 The many and complex issues in the case were tried before an arbitrator in Minneapolis,  
Minnesota for five very long days.<sup>1</sup> Following the arbitration, on October 28, 2014, the arbitrator entered  
25 an award in favor of the Debtors, Hawk's Landing I, LLC, Brinkman Investments, LLC, and New Care

26 <sup>1</sup> American Arbitration Association, Case No. 65-193-Y-00228-13.

1 Construction, LLC. Ultimately, the arbitration award was submitted to the Stark County District Court  
2 in Dickinson, North Dakota, Southwest District, Civil No. 45-2014-CV-00040, and a judgment was  
3 obtained on November 21, 2014 (the "North Dakota Judgment"). Part 1 of the North Dakota Judgment  
4 awards \$1,561,769.76 against the Foundation and Dickinson Investments, LLC in favor of Granville  
5 Brinkman, Brinkman Investments LLC, and Hawk's Landing I, LLC ("Part 1"). Part 2 of the North  
6 Dakota Judgment awards \$133,600.00 against Dickinson Investments, LLC in favor of Granville  
7 Brinkman and New Care Construction, LLC ("Part 2"). Serkland has an attorney's lien on the North  
8 Dakota Judgment in the total amount of \$322,791.54 plus interest.

9 There has been no successful collection on the North Dakota Judgment to date, because the  
10 Foundation, which is jointly and severally liable for the largest portion of the North Dakota Judgment,  
11 was put into receivership<sup>2</sup>, and there is a stay on any collection efforts. Although Dickinson Investments,  
12 LLC, whose most significant asset is the Hawk's Point senior living facility, is also jointly and severally  
13 liable on the judgment, the Debtors are in a third-lien position on the facility and the primary lienholder  
14 commenced foreclosure proceedings, and as a result Dickinson Investments, LLC was also put into  
15 receivership<sup>3</sup>. Dickinson Investments, LLC has no other viable assets in terms of collection, and  
16 therefore collection efforts have focused on the Foundation and its assets, which have an approximate  
17 net value of \$9,044,773.00. The Foundation owns a number of pieces of real property and, because in  
18 North Dakota a judgment acts as a lien on a judgment debtor's real property, the Debtors are the sole  
19 lienholders on five of the Foundation's 11 parcels of real property. Although there is pending litigation  
20 with respect to the Foundation's receivership and its procedural dissolution, those five properties have  
21 an estimated value between \$1,834,000 and \$2,620,000, and sale of the properties should satisfy the  
22 Debtors' judgment.

23 North Dakota's attorney general, a party in the Foundation's receivership, has taken the position,  
24 without legal precedence, that the Foundation's properties should be liquidated and Foundation donors  
25 should be repaid first before creditors. This is an issue of first impression in North Dakota, and the case  
26 is very political and therefore recovery is not certain. If the matter is resolved by judicial decision, the  
losing party will almost certainly appeal. Settlement talks have been fruitless. Thus, in a best-case  
scenario, the Debtors could receive money out of the receivership in early 2017, or in a worst-case  
scenario, after all appeals, the Debtors might take nothing.

The Debtors are investigating whether they have any kind of recourse under the E&O insurance  
policy of the Foundation.

Brian W. Hicks Revocable Trust: On March 20, 2014, the Debtors signed a confession of  
judgment in favor of Brian W. Hicks Revocable Trust ("Hicks Trust") in King County Superior Court  
case #14-2-07850-1 in the amount of \$500,000, plus interest (the "Hicks Judgment"). On March 30,  
2015, Hicks Trust domesticated the Hicks Judgment in the North Dakota Judgment case. An execution  
on the North Dakota Judgment was issued on April 10, 2015, and a notice of levy was served on the  
Foundation on April 13, 2015. Litigation ensued in North Dakota among the Debtors, Serkland, and  
Hicks Trust as to whether the Hicks Judgment or the Serkland Lien had priority with respect to the North  
Dakota Judgment.

<sup>2</sup> *North Dakota ex. rel. Wayne Stenehjem, Attorney General vs. Dickinson State University Foundation*,  
Southwest Judicial District of Stark County, North Dakota, Civil No. 45-2014-CV-00873.

<sup>3</sup> *First International Bank and Trust v. Dickinson Investments, LLC, et al* in District Court of Stark County,  
North Dakota, Civil No. 45-2015-CV-00616.

1 On May 15, 2015, the Debtors, Hawk's Landing I, LLC, New Care Construction, LLC,  
2 Brinkman Investments, LLC, the Brian W. Hicks Revocable Trust, and the Foundation's receiver  
3 entered into a stipulation as to \$112,828.45 in net proceeds from sale of the Foundation's property  
4 ("Receiver Proceeds"), in which the receiver would hold the Receiver Proceeds until further order of the  
5 Stark County court.

6 On September 10, 2015, the Stark County court ruled that the Serkland Lien had priority over  
7 Hicks Trust ("Stark County Order"). Hicks Trust appealed the Stark County Order. On October 27,  
8 2015, Serkland filed a motion to stay the appeal of the Stark County Order due to the Debtors'  
9 bankruptcy filing. Also, on June 25, 2015, pursuant to the Hicks Judgment, the Hicks Trust credit bid  
10 at the execution sale of the Debtors' interest in Brinkman Investments, LLC and received a bill of sale  
11 for 100% of the interests of Brinkman Investments, LLC.

12 The Debtors have signed a settlement agreement with Hicks Trust, Serkland, Hawk's Landing  
13 I, LLC ("Hawks"), New Care Healthcare of North Dakota, LLC ("NCHC of ND"), New Care  
14 Management, LLC ("NCM"), New Care Construction, LLC ("NCC"), and Brinkman Investments, LLC  
15 with respect to proceeds and costs of the North Dakota Judgment, including the Serkland Lien and the  
16 Hicks Judgment, subject to Bankruptcy Court approval. The Debtors are waiving all claims they have  
17 against Hawks, NCHC of ND, NCM, NCC, Brinkman Investments, LLC, and Hicks Trust, and 50% of  
18 the net proceeds of Part 1 of the North Dakota Judgment (after payment of the Serkland Lien, which  
19 shall be allocated pro rata between Part 1 and Part 2) will go to Brinkman Investments, LLC. All of the  
20 entities are surrendering any other recovery of the North Dakota Judgment to the Debtors. The Debtors  
21 expect Bankruptcy Court approval of the settlement prior to issuance of this Disclosure Statement and  
22 have premised the Plan on assumption of approval. The settlement agreement is attached as Exhibit B  
23 to the Plan.

24 Sharp Properties, LLC: In 2005, Sharp Properties, LLC was formed to develop the real  
25 properties described as "Lots 5 through 15, Block 407 of the Map of Tacoma" in Tacoma, Washington  
26 ("Lots 5-15") into a large mixed-use project. Brinkman Investments, LLC, owned by the Debtors, and  
Metropolitan Real Estate Development, LLC and/or Metropolitan Development Group of Tacoma, LLC  
("Metropolitan") each owned a 42.5% interest in Sharp Properties, LLC, and Walter Sharp ("Sharp")  
owned the remaining 15% interest. Sharp agreed to contribute Lots 5-15, which he individually owned,  
and Brinkman Investments and Metropolitan agreed to provide the development expertise and capital  
necessary to develop Lots 5-15 into a mixed-use project. The only assets of Sharp Properties, LLC were  
Lots 5-15. The Debtors also have deeds of trust against Lots 5-10, which secured \$754,000 in  
obligations. However, these deeds of trust are subordinate to senior secured loans and are valueless.

Since at least 2007, a tortured procedural history developed in which the owners disputed each  
other's various investments, ownership interests, and liabilities, and which eventually led to Sharp  
Properties, LLC going into receivership on May 20, 2015.<sup>4</sup> The general receiver for Sharp Properties,  
LLC sold Lots 5-15 on July 21, 2016, and is holding net proceeds in excess of \$1.2M. However, various  
secured creditors, including Class 3 and 4 claimants, are arguing about allocation, and, partly because  
the Debtors no longer own Brinkman Investments, LLC and because all the proceeds will go to creditors

<sup>4</sup> *Walter Sharp v. Sharp Properties, LLC, et al*, Pierce County Superior Court, No. 10-2-13923-6; *Walter Sharp v. Granville Brinkman, et al*, Pierce County Superior Court, No. 14-2-09754-4; *In the Receivership of Sharp Properties, LLC*, Pierce County Superior Court, No. 15-2-08699-1.

1 with secured liens of higher priority, the Debtors do not expect to receive any distribution from those  
2 net proceeds.

3 In addition, the disputes between the Debtors and Sharp involve the condominium located at  
4 201A Broadway in Tacoma, WA (the "Condo"), which is owned by the Debtors and fully encumbered  
5 by a deed held by the Estate of William Looney ("Looney"). Sharp has been residing in the Condo since  
6 2007. The Debtors have signed a settlement agreement with Sharp and Looney, subject to Bankruptcy  
7 Court approval, with respect to sale of the Condo and Sharp relinquishing possession. The Debtors will  
8 receive \$25,000 from sale of the Condo and will give \$10,000 of that to Sharp.

9 Greenwood Investors, LLC: Debtors have a 24.75% ownership in Greenwood Investors, LLC  
10 ("Greenwood"), which owns a 102-bed senior housing/skilled-nursing facility located at 1333  
11 Greenwood Ave. in Seattle, WA. The building is collateral for a \$5.0 million loan to Coastal Community  
12 Bank. An unaffiliated third-party management company, EHC Management LLC, operates the facility  
13 and pays Greenwood rent. Debtors (and other member/owners) receive monthly distributions from the  
14 rental income profits, after debt service and actual out-of-pocket administrative costs. The lease between  
15 Greenwood and EHC Management LLC expires July 1, 2019. When the lease expires, Greenwood will  
16 either renew the lease or sell the building altogether. The Debtors have no control over this. When the  
17 lease expires, a substantial amount of the secured financing will still be outstanding. The building owned  
18 by Greenwood recently appraised for \$5M, the approximate amount of the secured financing.

19 While Greenwood is profitable, the Debtors and all other members are jointly and severally  
20 liable on the \$5.0 million loan guaranty to Greenwood's secured lender. The Debtors' interest in the  
21 entity is transferable; however, unanimous consent of all other members is required, and the Debtors'  
22 interest is non-voting and a minority interest. Any new members must guaranty the loan and must be  
23 acceptable to the lender as well.

24 Bar C, LLC: Debtors have 100% ownership in Bar C, LLC ("Bar C"), which is a cattle operation  
25 in North Dakota. Since November 2014, Bar C has been in possession of 52 cows and two bulls, which  
26 are owned by the seller until the seller is paid in full for the purchase price. A portion of the cows calve  
each year, and the calves are then sold. Bar C purchased the cattle for \$3,000 a head, with no money  
down. Bar C has paid down the secured financing on the cattle from approximately \$161,500 to  
approximately \$100,000. However, the price of cattle has dropped to around \$1,800 a head. The current  
value of the assets is the same or less than the amount of secured financing, leaving no equity.

## 27 **Part 7**

### 28 **Treatment of Dissenting Classes of Creditors**

29 The Bankruptcy Code requires the Bankruptcy Court to find that the Plan does not discriminate  
30 unfairly, and is fair and equitable with respect to each class of claims that is impaired under, and has not  
31 accepted, the Plan. Upon such a finding, the Bankruptcy Court may confirm the Plan despite the  
32 objections of a dissenting class. Debtors will request that the Court confirm or "cram down" the Plan  
33 even if creditors holding impaired claims do not accept the Plan. Debtors believe that the Bankruptcy  
34 Court will confirm the Plan under the circumstances.

## 35 **Part 8**

### 36 **Effect of Confirmation**



1 Pursuant to 11 U.S.C. §1141(d)(5), confirmation of the Plan does not discharge any debt  
2 provided for in the Plan until the Court grants a discharge on completion of all payments under the Plan.

3 After confirmation, all property of the Debtors shall be free and clear of all claims and interests  
4 of creditors except as otherwise provided in the Plan or in the order of the Bankruptcy Court confirming  
5 the Plan. The provisions of the Plan shall bind Debtors and all other parties in interest, including any  
6 creditor of the Debtors, whether or not such creditor is impaired under the Plan and whether or not such  
7 creditor has accepted the Plan.

8 **Part 9**  
9 **Means for Implementing the Plan**

10 The implementation of, and the distributions required under, the Plan shall be accomplished  
11 through the Debtors' operation of Bar C, LLC and from contribution of future monthly distribution  
12 income from Greenwood. Bar C, LLC operations and profitability are dependent on the market and may  
13 not be profitable year after year. The Plan also binds the Debtors to distribute 100% of the non-exempt  
14 amount of half the recovery of Part 1 and all of Part 2 of the North Dakota Judgment.

15 **Part 10**  
16 **Federal Income Tax Consequences of the Plan**

17 The Debtors urge each holder to consult the holder's own tax advisor as to the consequences of  
18 the Plan to the holder under federal and applicable state, local, and foreign tax laws. The Debtors and  
19 their counsel express no opinion as to the tax consequences of the Plan or the effect thereof on any  
20 creditor.

21 **Conclusion**

22 Debtors have endeavored to obtain the best possible outcome for its creditors in this case, and  
23 believe the Plan described above is fair and equitable for all concerned.

24 Dated October 14, 2016.

25 Respectfully submitted,

26 By: /s/ Granville Brinkman  
Granville Brinkman, Debtor

By: /s/ Robbin Brinkman  
Robbin Brinkman, Debtor

By: /s/ Nathan T. Riordan  
Nathan Riordan, WSBA #33926  
Attorney for the Plan Proponent