

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA

IN RE:

RONALD NEAL WALTERS, SR.

Debtor

Case No. 15-20243

Chapter 11

Reorganization

DEBTOR' S PROPOSED FOURTH AMENDED DISCLOSURE STATEMENT AND PLAN

1. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the small business chapter 11 case of Ronald Neal Walters, Sr. (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes his chapter 11 plan filed by the Debtor on February 29, 2016. A full copy of the Plan is attached and follows this Disclosure Statement. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 9 - 13 of this Disclosure Statement. [General unsecured creditors are classified in Class C, and will receive a distribution of 4% of their allowed claims, to be distributed as follows quarterly payments beginning January 2017.]

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case;
- 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);
- Who can vote on or object to the Plan;
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan;
- Why [the Proponent] believes 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

- 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 Finally Approve This Disclosure Statement and Confirm the Plan Will Be Sent Separately By the Court By Separate Mailing.

The hearing at which the Court will determine whether to [finally approve this Disclosure Statement and] confirm the Plan will take place on _____, at _____, in Courtroom _____, at the _____.

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 Pepper & Nason, 8 Hale Street, Charleston, West Virginia 25301. See Section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by _____ or it will not be counted.

3. Deadline For Objecting to the [Adequacy of Disclosure and] Confirmation of the Plan

Objections to [this Disclosure Statement or to] the confirmation of the Plan must be filed with the Court and served upon Andrew S. Nason, Debtor's Counsel at the address of 8 Hale Street, Charleston, West Virginia 25301, and the original filed with the Clerk of the Bankruptcy Court.

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact {insert name and address of representative of plan proponent}.

5. Disclaimer

The Court has [conditionally] approved this Disclosure Statement 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. The Court's approval of this Disclosure Statement is subject to final approval at the hearing or confirmation of the Plan.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor graduated from Charles Town High School in 1969. Upon graduation he attended college at the University of Michigan graduating in 1973 with a Bachelor of Science degree in economics. In 1973, after graduating the Debtor entered the insurance business with Prudential Insurance Company as an underwriter.

Then, in 1974, the Debtor joined the insurance company of Midland Mutual Life Insurance Company through the S. Byrl Ross Agency in Parkersburg and Fairmont, West Virginia during which time he was also a part-time visiting professor at Fairmont State College in their school of economics. The Debtor sold life insurance for that firm from 1974 to 1976. That firm was purchased by McDonough Caperton Shepard and Goldsmith. The Debtor then joined McDonough Caperton Shepard and Goldsmith in 1976 as Vice President of the Employee Benefits Department. He worked with them from 1976 through 1980.

In 1980, the Debtor joined the firm of Devan & Company as Vice President in the insurance business and worked all lines of the insurance industry until he left them in 1990 to go out on his own. He began writing under the name of R. N. Walters & Associates in Charleston, West Virginia, providing insurance services in the area of employee benefits and financial services. Some of the clients included the City of Charleston,

The Kanawha County Commission, Goodyear Tire & Rubber, Figgy International, American Lafrance, Rawlings Sporting Goods.

Between 1990 and the present the Debtor's agency has serviced most those organizations. In 1991, the agency expanded and started providing structured settlement services for many major insurance companies and law firms in the state of West Virginia.

In 1993, the Debtor was first elected to the West Virginia House of Delegates and is currently serving as a member of the House of Delegates.

Ronald N. Walters, Jr. joined the insurance agency in 2009 and the other son, Christopher Wesley Walters, joined the insurance agency in 2010 and he made plans to start disposing of his ownership and transferring the ownership to them the next year. After working out an agreement with his sons to take over that business with the managing partner to be, Chris Walters. The agreement previously provided to the U.S. Trustee's Office provided that on January 1, 2015, the business would transfer in total to their ownership and it has transferred and the Debtor's sons have been managing working the business since that date.

The Debtor continues to work in the insurance business and services his clients to facilitate the transition for his sons so they know who the clients are and to provide an environment that they become comfortable working with all the agency's clients. The Debtor is slowly phasing out over a five year period, but will continue to have an income for the next five years based on production and based on the agency business and thereafter the Debtor will have an income for the rest of his life based on his providing on-going advice and counsel to assist the business.

During the next five years the Debtor will receive a percentage of all of the existing business that he has current contracts with that will start out between 50% and 40% (depending on the client) and over time the commissions decline so that after a five year period the Debtor will receive a percentage of the business plus any new business that he writes. When the five year period ends, in addition to actual production based commissions, he will receive 10% of all gross revenues of the company. After the five year period going forward if he wants to continue to work, he can, and if he is in good health as he is now, he plans to.

The insurance business requires a substantial amount of business travel including attending mediation, settlement conferences, planning for settlement with adjusters or attorneys, working with the attorneys' clients to make sure they understand structured settlements and financial services. Additional work includes preparing the documents and providing the necessary paperwork to assure that the structured settlement is either tax free by virtue of the IRS ruling or, if it is taxable, to make sure that they know the fundamentals of taxable annuity.

During legislative service he met an individual from Kanawha County who wanted him to invest in a yogurt business as a minority owner. When he was approached about entering the yogurt business in 2013, the Debtor was requested not only to be a minority partner in the business, but also to personally guarantee a loan. The majority owner provided financial projections for the frozen yogurt store that, based on the information he provided, looked that it would be a profitable business. The Debtor was required to provide his tax returns to BB&T to act as a guarantor of the loan that they were going to take out. The yogurt business borrowed \$375,000 and the Debtor put \$85,000 in cash up front. There were some additional payments at a later date that was also made for the business once the managing partner left the business three months after it started.

The Debtor thereafter also deposited an additional \$70,000 plus dollars to keep the business going. Finally, the Debtor had to come up with about \$20,000 of additional funds late in the game to cover payroll where the business did not satisfy the payroll. The majority interest holder provided all of the financial data for the bank consideration in evaluating the loan and then subsequently granted it with his financial backing and the Debtor had to subsequently do personal guarantees on those loans. The business never met those projections.

The yogurt business had two locations and anywhere from 7 to 15 employees at any given time. The Debtor closed the first location shortly after the majority owner who was going to manage and run the business walked out of the business and laid people off because the yogurt store was losing money at that location. About a year later the second location closed for basically the same reason.

As a result of the closure of the business, or the failure of the business, the lease holders filed suit against the

Debtor. The bank filed suit against him. The former owners filed suit against him and that is what brought forth the Debtor filing for bankruptcy on a personal basis.

B. Significant Events During the Bankruptcy Case

At the time the Debtor filed the litigation was pending in Kanawha County with regard to BB&T and the two landlord claims. Those claims have now been reduced to proof of claims in sums certain.

The Debtor has remained current on his direct pay on all of his secured debt and the exception of one loan in favor of Ford Motor Company which is being paid by a third party. On information and belief, that loan payment will be paid off by the third party and is current or substantially current.

The Debtor's plan is based on a liquidation analysis which follows in this disclosure.

C. Projected Recovery of Avoidable Transfers

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions as there does not appear to be any such claims.

D. 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.

E. The Debtor's Assets are Scheduled as Follows:

Schedule A - Real Property

½ interest in residence at 1306 Vienna Pointe in Cross Lanes, WV	360,000.00	156,707.00
½ interest in 129 Fulton Street in Charles Town, WV inherited from mother.	125,000.00	0.00
1/3 interest of a one half interest in rental property at 272 McCulloch Avenue in Morgantown, WV - W&W	280,000.00	108,000.00

Properties, LLC		
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Schedule B - Personal Property

Checking, savings, or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives	Chase checking account joint with wife	J	6,000.00
	City National checking account joint with wife	J	2,200.00

HOUSEHOLD GOODS AND FURNISHINGS
JOINTLY OWNED WITH WIFE (DEBRA WALTERS)

Rec Room

Couch	\$100.00
Couch	\$100.00
Coffee Table	\$100.00
Sofa Table	\$120.00
Easyboy	\$ 50.00
Chest	\$150.00
Light Table	\$ 20.00
Small Built-In Fridge	\$ 30.00

Bedroom 1

Bed	\$100.00
Chest	\$200.00
Dressing Table	\$100.00
Laundry Chest	\$100.00
Chest	\$200.00
Lamp Table	\$100.00
Lamp Table	\$100.00

Hallway

Couch	\$100.00
Corner Table	\$ 50.00
CD Cabinet	\$ 75.00
Sewing Table	\$ 50.00

Dining Room

Table with 6 Chairs	\$350.00
Cabinet	\$200.00

Living Room

Couch \$100.00
 Coffee Table \$ 75.00
 2 Chairs \$120.00
 End Tables \$ 75.00
 Desk with 2 Drawers \$100.00
 Cabinet \$100.00

Entryway

Table \$100.00
 Clock \$ 75.00

Bedroom 2

Bed \$125.00
 Chest \$100.00

Bedroom 3

Bed \$100.00
 Chest \$200.00
 Chair \$ 75.00

Sitting Room

Loveseat \$ 75.00
 Chair \$ 50.00
 TV \$100.00

Outdoor

Patio Table w/4 Folding
 Chairs \$ 70.00

TOTAL \$4,010.00

Clothing \$400.00

Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	State pension (deferred benefit)	8,250.00
	Deferred Comp. (State of WV retirement savings).	126,000.00

Automobiles, trucks, trailers, and other vehicles and accessories.	2012 Volvo S-60	10,000.00
	2013 Audi Q5	20,000.00
	2005 Jaguar XK7	12,000.00
	1971 Jaguar XJ-6	3,500.00

Other personal property of any kind not already listed. Itemize.	Structured Settlement Annuity	76,000.00
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Fractional interest in a spend thrift trust, "Link		0.00
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Foundation Trust."	
Possible claim against Patrick Lane	Unknown

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 places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

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, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are expenses of administering the Debtor's chapter 11 case which are allowed under §507(a)(2) of the Code. 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. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	None due	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
Professional Fees, as	None due	Paid in full on the

approved by the Court		effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan.
Clerk's Office Fees	None due	Paid in full on the effective date of the Plan
Other administrative expenses	None due	Paid in full on the effective date of the Plan or according to separate written agreement.
Office of the U.S. Trustee Fees	None due	Paid in full on the effective date of the Plan
TOTAL		

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.

The following chart lists the Debtor's estimated §507(a)(8) priority tax claims and their proposed treatment under the Plan follows:

Description (name and type of tax)	Estimated Amount Owed
State of WV	\$0.00
IRS	\$130,794.72 which includes the 2014 claim and is set forth in Amended Claim 4-4

The Debtor owes no priority claim to the West Virginia Department of Tax and Revenue. The priority claims of the Internal Revenue Service in the amount of \$130,794.72 will be paid over 60 months at \$2,350.20 a month at 3% interest. If the debtor sells real estate he will either pay down on this obligation sooner or amortize the remaining balance at the same

interest rate over the remaining term. Payments on these priority claims will begin in the middle of the month of the month following the order entered by the Court confirming the plan.

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 Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) 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 creditors' allowed claim, the deficiency will [be classified as a general unsecured claim].

Creditor	Description	Value	Amount of Claim
BB&T	½ interest of a one half interest in rental property at 272 McCulloch Avenue in Morgantown, WV - W&W Properties, LLC	280,000.00	108,000.00
Chase Home Finance, LLC	½ interest in residence at 1308 Vienna Pointe in Cross Lanes, WV	360,000.00	117,707.00
CitiMortgage, Inc.	½ interest in residence at 1308 Vienna Pointe in Cross Lanes, WV	360,000.00	39,000.00
Pioneer FCU	2012 Volvo S-60	10,000.00	9,000.00
Pioneer FCU	2013 Audi Q5	20,000.00	18,000.00
Pioneer FCU	2005 Jaguar XK7	12,000.00	10,000.00

The Debtor will continue making payments to BB&T on the loan secured by a lien against the Debtor's commercial property. The Debtor believes he is current.

If Ms. Bevins fails to pay the motor vehicle loan which the Debtor co-signed Ford Motor Credit may repossess the vehicle, sell the same and assert an unsecured claim, if any exists.

The Debtor will continue to make the regular monthly payments secured by a deed of trust against the Debtor's

principal residence to the Chase Home Finance and CitiMortgage and the payments to BB&T on the Morgantown, West Virginia property which will be paid directly.

The Debtor will pay the payments on the motor vehicle creditors pursuant to the loans and security agreement to Pioneer Federal Credit Union on the three motor vehicles.

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§507(a)(1), (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.

3. *Unsecured Non-Priority Claims*

The Debtor will initially pay 1% on all unsecured claims and those unsecured claims will be paid over a 12 month period beginning with the time period after both motor vehicles are paid off which time period will be approximately commencing November 2016. Three percent (3%) of his claims will be paid over the next sixty (60) month period.

American Express	\$29,918.77
American Express	\$300.85
AT&T	\$26,420.30
BB&T	\$115,826.57
BB&T	\$342,004.71
Capitol One Bank	\$4,369.58
Chase	\$7,596.00
Citi	\$4,961.17
IRS General Unsecured Claim	\$13,584.69
Mastercard	\$3,130.91
Richard E. Jesse, Charles M. Sellers, James N. Garcia, Sweet Frog Charleston c/o Webster Arceneaux, III	\$101,236.77
Sears/CBNA	\$2,700.00
THF	\$144,000.00
Town Center Mall	\$77,963.46
Synchrony Bank	\$9,468.17
Total	\$869,897.16

Unsecured creditors will be paid \$4,464.00 during the last quarter of each year for a total of payments in the last quarter

of each year in the amount of \$22,320.45 (69.3569.00 Desc: Main =
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 \$22,320.45); a total Document, 3 Page 13 of 26
 \$300.00 to be paid during the first three (3) quarters of each
 year over a five year period for a total of or (\$300.00 x 15 =
 \$4,500) plus \$22,320.45 equal \$26,281.80. Additionally, when
 the debtor's motor vehicles are paid off an additional \$750.00
 will be paid per month which will be paid each quarter for a
 total of \$2,250.00 per quarter or an additional \$18,000.00
 during the last two (2) years of the plan for a total of all
 payments of \$44,281.80 (\$22,320.45 + \$4,500.00 + \$18,000.00 =
 \$44,281.80). These payments shall be distributed pro rata.

D. Liquidation Analysis

Residence in Cross Lanes value:	\$360,000.00
Less First Deed of Trust of:	\$156,707.00
Which results in equity of:	\$203,293.00
Debtor owns a one-half (1/2) interest or	\$101,646.50

Inherited property after debtor's mother passed away at 129 Fulton Street, Charles Town, West Virginia. Value:	\$ 125,000.00
Debtor owns a one-half interest or	\$ 62,500.00

Debtor owns (with his wife) a one-third interest in rental property. Value of:	\$280,000.00
with a \$108,000.00 deed of trust which results in equity of:	\$172,000.00
Debtor's one-sixth interest is:	\$28,666.66

Total real property equity is:	\$192,813.17
Less 10% cost of hypothetical sale:	\$175,531.85
Less Exemption of \$25,000.00	\$148,531.00

Personal Property

Total excluding motor vehicles from personal property and retirement total:	\$12,600.00
Less exemptions of:	\$4,410.00

Amount for Chapter 7	\$890.00
Less liquidation costs of 10%	\$7,311.00

All retirement and structured settlement
exempted

The motor vehicles have a value of \$4,000 over debt owed; the
debtor has exempted \$2,400.00 plus \$800.00 with an additional
value in a Chapter 7 after liquidation costs of \$720.00.

Total in Chapter 7:	\$156,622.00
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After taxes of \$130,794.72 there is \$25,827.28 which would be paid to claims (non-priority/non-secured) in a Chapter 7.

E. Means of Implementing the Plan

1. Source of Payments

Payments and distributions under the Plan will be funded by the following: Debtor's income from all sources including, but not limited to, sales of real property in Charleston and income from commissions at insurance business. The Debtor's Schedules I and J are attached for reference.

F. Risk Factors

The proposed Plan has the following risks: The Debtor's age and ability to generate income in an unknown regional economy heavily dependent on the industry.

G. Executory Contracts and Unexpired Leases

The Plan includes any executor contracts and unexpired leases that the Debtor will assume under the Plan. The Debtor's interest as a member of the company that ran two yogurt locations. Those leases expired pre-petition, but if that those leases are rejected the Debtor assumes his executor contract with his sons. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executor 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 N/A. 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.]

H. Tax Consequences of Plan

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

The following are the anticipated tax consequences of the Plan: Debtor to make plan payments with after tax dollars.

IV. 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.

If the Debtor defaults over a period of ninety (90) days any creditor may move to revoke confirmation of the plan. The effective date of the plan is the date of the confirmation order.

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.

1. *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.

The deadline for filing a proof of claim in this case was

_____.

[If applicable - the deadline for filing objections to claims is _____].

2. *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 a class that is *impaired* under the Plan. As provided in §1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is Not Entitled to Vote*

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

- Holders of claims and equity interests that have been disallowed by an order of the Court;
- 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.
- Holders of claims or equity interests in unimpaired classes;
- Holders of claims entitled to priority pursuant to §§507(a)(2), (a)(3), and (a)(8) of the Code; and

- Holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- Administrative expenses.

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].

4. *Who Can Vote in More Than One Class*

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

B. **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 without 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 Section [B.2.].

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

A class of claims accepts the Plan if both 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 Non-Accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by §1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to

bind non-accepting 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.

C. 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. A liquidation analysis is included as part of this Disclosure Statement.

D. Feasibility

The court must find that confirmation of the Plan is not likely to be flowed 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.

1. Ability to Initially Fund Plan

The Plan Proponent 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.

1. 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 Plan Proponent has provided projected schedules I and J for information and income and expense projections.

The Plan Proponent has these estimates to show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of

\$2438.23 per month in the first three quarters and \$3838.23 per month in the last quarter. The final Plan payment is expected to be paid on December 31, 2022.

[Summarize the numerical projections, and highlight any assumptions that are not in accord with past experience. Explain why such assumptions should now be made.]

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

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR [If the Debtor is not entitled to discharge pursuant to 11 U.S.C. §1141(d)(3) change this heading to "NO 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 expected from discharge under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure. The case will be closed without discharge, under 11 U.S.C. 350 and Bankruptcy Rule 3022, but may be reopened to receive such discharge upon completion of the plan.

B. Modification of Plan

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

[If the Debtor is not an individual, add the following: "The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing."]

[If the Debtor is an individual, add the following: "Upon request of the Debtor, the United States Trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan, but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for each such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan."]

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, 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.

VI. OTHER PLAN PROVISIONS

Income and Expense Projections

The income projections list three separate options. In all likelihood only option two will allow the case to cash flow.

Ronald Neal Walters: Three Option for Income Projections Age 70 and After/Fully Retired

Option No. 1: Retire now includes retiring income from legislature:

\$4,746.00 from Annuity
\$2,500.00 from Social Security
\$916.67 State Pension
\$5,000.00 per month agency buy estimate
Total: \$13,162.00

House in Charles Town now for sale to pay taxes for 2014 and what may be owed for 2015

Option No. 2: Work to 70 then retire estimated monthly income \$25,000.00 to age 70 no state pension, no social security, includes \$4,746.00 from the annuity and includes State Legislature income; however, if not reelected the annual pay is reduced annually by \$20,000.00 or \$1,666.66 per month, but the State pension would begin in a dollar amount somewhere between the figure in Option No. 1 and Option No. 3.

Option No. 3: Income

\$4,746.00 Annuity
\$3,000.00 Social Security
\$1,041.67 State Pension
\$5,000.00 monthly from agency buy out estimated
Total \$13,787.67

SUMMARY OF OPERATING REPORTS

Total Income: \$352,240.16
Total Expenses: \$376,660.98

<u>Income</u>		<u>Expenses</u>
May 2015	\$30,416.54	\$38,555.21
June 2015	\$46,374.64	\$45,733.34
July 2015	\$27,122.91	\$26,026.56
Aug. 2015	\$27,796.90	\$24,965.16
Sept. 2015	\$ 5,455.84	\$26,067.53
Oct. 2015	\$21,130.51	\$26,685.05
Nov. 2015	\$34,225.87	\$30,692.22
Dec. 2015	\$54,050.39	\$43,021.54
Jan. 2016	\$41,974.33	\$30,156.49
Feb. 2016	\$32,872.22	\$42,695.92
Mar. 2016	<u>\$30,820.01</u>	<u>\$42,061.96</u>
Total	\$352,240.16	\$376,660.98

/s/ Ronald Neal Walters
[Signature of the Plan Proponent]

/s/ [Handwritten Signature]
[Signature of the Attorney for
the Plan Proponent]

Fill in this information to identify your case:

Debtor 1 Ronald Neal Walters, Sr.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: SOUTHERN DISTRICT OF WEST VIRGINIA

Case number _____
(If known)

Check if this is:

An amended filing

A supplement showing postpetition chapter 13 income as of the following date:

____/____/____

MM / DD / YYYY

Official Form 1061

Schedule I: Your Income

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Employment

1. **Fill in your employment information.**

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

	Debtor 1	Debtor 2 or non-filing spouse
Employment status	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Not employed
Occupation	<u>Insurance agent</u>	<u>Housewife</u>
Employer's name	<u>R. N. Walters & Assoc., LLC</u>	
Employer's address	<u>184 Summers St Ste 310 Charleston, WV 25301</u>	
How long employed there?	<u>40 yrs</u>	

Part 2: Give Details About Monthly Income

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	For Debtor 1	For Debtor 2 or non-filing spouse
2. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	\$ <u>19,700.00</u>	\$ <u>0.00</u>
3. Estimate and list monthly overtime pay.	+\$ <u>0.00</u>	+\$ <u>0.00</u>
4. Calculate gross income. Add line 2 + line 3.	\$ <u>19,700.00</u>	\$ <u>0.00</u>

Debtor 1 Ronald Neal Walters, Sr.

Case number (if known) _____

		For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here	4.	\$ 19,700.00	\$ 0.00
5. List all payroll deductions:			
5a. Tax, Medicare, and Social Security deductions	5a.	\$ 0.00	\$ 0.00
5b. Mandatory contributions for retirement plans	5b.	\$ 0.00	\$ 0.00
5c. Voluntary contributions for retirement plans	5c.	\$ 0.00	\$ 0.00
5d. Required repayments of retirement fund loans	5d.	\$ 0.00	\$ 0.00
5e. Insurance	5e.	\$ 1,000.00	\$ 0.00
5f. Domestic support obligations	5f.	\$ 0.00	\$ 0.00
5g. Union dues	5g.	\$ 0.00	\$ 0.00
5h. Other deductions. Specify: _____	5h.+	\$ 0.00	\$ 0.00
6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.	6.	\$ 1,000.00	\$ 0.00
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7.	\$ 18,700.00	\$ 0.00
8. List all other income regularly received:			
8a. Net income from rental property and from operating a business, profession, or farm Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.	8a.	\$ 0.00	\$ 0.00
8b. Interest and dividends	8b.	\$ 0.00	\$ 0.00
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.	8c.	\$ 0.00	\$ 0.00
8d. Unemployment compensation	8d.	\$ 0.00	\$ 0.00
8e. Social Security	8e.	\$ 0.00	\$ 0.00
8f. Other government assistance that you regularly receive Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify: _____	8f.	\$ 0.00	\$ 0.00
8g. Pension or retirement income	8g.	\$ 0.00	\$ 0.00
8h. Other monthly income. Specify: <u>Structured settlement</u>	8h.+	\$ 4,700.00	\$ 0.00
9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h.	9.	\$ 4,700.00	\$ 0.00
10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	10.	\$ 23,400.00	\$ 0.00 = \$ 23,400.00
11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify: _____	11.	+\$ 0.00	
12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the <i>Summary of Schedules and Statistical Summary of Certain Liabilities and Related Data</i> , if it applies	12.	\$ 23,400.00	
		Combined monthly income	
13. Do you expect an increase or decrease within the year after you file this form?			
<input checked="" type="checkbox"/> No.			
<input type="checkbox"/> Yes. Explain: _____			

Fill in this information to identify your case:

Debtor 1 Ronald Neal Walters, Sr.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: SOUTHERN DISTRICT OF WEST VIRGINIA

Case number _____
(If known)

Check if this is:
 An amended filing
 A supplement showing postpetition chapter 13 expenses as of the following date:

 MM / DD / YYYY

Official Form 106J
Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Your Household

1. Is this a joint case?
 No. Go to line 2.
 Yes. Does Debtor 2 live in a separate household?
 No
 Yes. Debtor 2 must file Official Form 106J-2, *Expenses for Separate Household of Debtor 2*.

2. Do you have dependents? No

Do not list Debtor 1 and Debtor 2. Do not state the dependents names.	<input type="checkbox"/> Yes. Fill out this information for each dependent.....	Dependent's relationship to Debtor 1 or Debtor 2	Dependent's age	Does dependent live with you?
				<input type="checkbox"/> No <input type="checkbox"/> Yes
				<input type="checkbox"/> No <input type="checkbox"/> Yes
				<input type="checkbox"/> No <input type="checkbox"/> Yes

3. Do your expenses include expenses of people other than yourself and your dependents?
 No
 Yes

Part 2: Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental *Schedule J*, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on *Schedule I: Your Income* (Official Form 106I.)

Your expenses

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.	4. \$	3,050.00
If not included in line 4:		
4a. Real estate taxes	4a. \$	217.00
4b. Property, homeowner's, or renter's insurance	4b. \$	250.00
4c. Home maintenance, repair, and upkeep expenses	4c. \$	1,000.00
4d. Homeowner's association or condominium dues	4d. \$	20.00
5. Additional mortgage payments for your residence, such as home equity loans	5. \$	0.00

Debtor 1 Ronald Neal Walters, Sr.

Case number (if known) _____

6. Utilities:		
6a. Electricity, heat, natural gas	6a. \$	700.00
6b. Water, sewer, garbage collection	6b. \$	83.00
6c. Telephone, cell phone, Internet, satellite, and cable services	6c. \$	360.00
6d. Other. Specify: _____	6d. \$	0.00
7. Food and housekeeping supplies		7. \$ 350.00
8. Childcare and children's education costs		8. \$ 0.00
9. Clothing, laundry, and dry cleaning		9. \$ 320.00
10. Personal care products and services		10. \$ 25.00
11. Medical and dental expenses		11. \$ 1,200.00
12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments.		12. \$ 400.00
13. Entertainment, clubs, recreation, newspapers, magazines, and books		13. \$ 0.00
14. Charitable contributions and religious donations		14. \$ 400.00
15. Insurance. Do not include insurance deducted from your pay or included in lines 4 or 20.		
15a. Life insurance	15a. \$	140.00
15b. Health insurance	15b. \$	0.00
15c. Vehicle insurance	15c. \$	750.00
15d. Other insurance. Specify: <u>Disability insurance</u>	15d. \$	143.00
Dental		\$ 70.00
16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: <u>Personal property</u>		16. \$ 80.01
Specify: <u>Tax deposit federal</u>		\$ 4,335.00
Specify: <u>Tax deposit state</u>		\$ 1,365.00
17. Installment or lease payments:		
17a. Car payments for Vehicle 1	17a. \$	447.19
17b. Car payments for Vehicle 2	17b. \$	855.45
17c. Other. Specify: <u>Jaguar</u>	17c. \$	316.12
17d. Other. Specify: _____	17d. \$	0.00
18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).		18. \$ 0.00
19. Other payments you make to support others who do not live with you. Specify: _____		\$ 0.00
20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.		
20a. Mortgages on other property	20a. \$	0.00
20b. Real estate taxes	20b. \$	0.00
20c. Property, homeowner's, or renter's insurance	20c. \$	0.00
20d. Maintenance, repair, and upkeep expenses	20d. \$	0.00
20e. Homeowner's association or condominium dues	20e. \$	0.00
21. Other: Specify: <u>Storage unit fee</u>		21. +\$ 85.00
Personal & Business marketing expenses		+\$ 4,000.00
22. Calculate your monthly expenses		
22a. Add lines 4 through 21.		\$ 20,961.77
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2		\$
22c. Add line 22a and 22b. The result is your monthly expenses.		\$ 20,961.77
23. Calculate your monthly net income.		
23a. Copy line 12 (your combined monthly income) from Schedule I.		23a. \$ 23,400.00
23b. Copy your monthly expenses from line 22c above.		23b. -\$ 20,961.77
23c. Subtract your monthly expenses from your monthly income. The result is your monthly net income.		23c. \$ 2,438.23

24. Do you expect an increase or decrease in your expenses within the year after you file this form?
For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?

No.

Yes.

Explain here: Personal business marketing expenses about \$4,000 per month.