

Law Firm Name

Attorney Name(s), Bar No.(s)

Attorneys' Address

Attorneys' Telephone Number

Attorneys' Fax Number

Attorneys' Email Address(es):

Attorneys for Debtor(s)/Plan Proponent(s)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

[Click or tap here to enter text.](#)¹,

Debtor(s).

Chapter 11 Proceeding

Case No. [Click or tap here to enter text.](#)²

**DISCLOSURE STATEMENT IN
SUPPORT OF** [Click or tap here to enter text.](#)³
**CHAPTER 11 PLAN OF
REORGANIZATION DATED** [Click or tap
here to enter text.](#)⁴ **PROPOSED BY** [Click or
tap here to enter text.](#)⁵

**PLEASE READ THIS DISCLOSURE STATEMENT CAREFULLY. IT CONTAINS
INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR
REJECT THIS** [Click or tap here to enter text.](#)⁶ **CHAPTER 11 PLAN OF
REORGANIZATION DATED** [Click or tap here to enter text.](#)⁷ **THE PROPONENT
BELIEVES THAT THIS PLAN IS IN THE BEST INTEREST OF THE CREDITORS
AND IS FAIR AND EQUITABLE. THE PROPONENT URGES THE VOTER TO**

¹ Debtor Name(s)

² Case Number

³ Indicate whether plan is one of reorganization or liquidation.

⁴ Date of Plan

⁵ Insert identity of Plan Proponent

⁶ Insert what plan is being described (original, first amended, second amended, etc.)

⁷ Date of Plan

VOTE TO ACCEPT THE PLAN.

Dated: [Click or tap here to enter text.](#)

Proponent: [Click or tap here to enter text.](#)

By: [Click or tap here to enter text.](#)

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	5
A. Purpose of this Document	5
B. Confirmation Procedures.....	7
C. Disclaimers.....	7
II. BACKGROUND.....	8
A. Description of Debtor’s Employment and/or Business.....	8
B. Events Leading to Chapter 11 Filing.	8
C. Significant Events during the Bankruptcy.	8
1. Bankruptcy Proceedings.	8
2. Other Legal Proceedings.....	9
3. Actual and Projected Recovery of Preferential or Fraudulent Transfers.	9
4. Procedures Implemented to Resolve Financial Problems.	9
D. Assets of the Debtor.	10
III. SUMMARY OF THE PLAN OF REORGANIZATION	10
A. Non-Voting Classes.....	10
1. Class 1 Administrative Expenses and Fees.	10
B. Classified Claims.....	11
1. Classes of Secured Claims.....	11
2. Class 9 Priority Non-Tax Claims.....	14
3. Class 10 Priority Tax Claims.....	15
4. Class 11 Class of General Unsecured Claims.	15
5. Cramdown and Absolute Priority Rule.	15
C. Acceptance or Rejection of Plan.	16
D. Means of Effectuating the Plan.	17
E. Feasibility.....	18
F. Liquidation Analysis.	19

G. Disbursing Agent.....	20
IV. TREATMENT OF MISCELLANEOUS ITEMS	20
A. Executory Contracts and Unexpired Leases.	20
1. Assumptions.	20
2. Rejections.	21
3. Claims Bar Date for Rejected Contracts and Leases.....	21
B. Retention of Jurisdiction.	22
C. Procedures for Resolving Contested Claims.	22
D. Notices under the Plan.....	22
V. EFFECT OF CONFIRMATION OF PLAN	23
A. Discharge.....	23
B. Re-vesting of Property in Debtor.	23
C. Modification of Plan.....	23
D. Post-Confirmation Conversion/Dismissal.....	24
E. Post-Confirmation Quarterly Fees.	24

I. **INTRODUCTION**⁸

[Click or tap here to enter text.](#)⁹ is the debtor in a Chapter 11 bankruptcy case. On [Click or tap here to enter text.](#)¹⁰ [Click or tap here to enter text.](#)¹¹ commenced a bankruptcy case by filing a [Click or tap here to enter text.](#)¹² Chapter 11 petition under the Bankruptcy Code. This document is the *Disclosure Statement in Support of the Chapter 11 Plan of Reorganization Dated* [Click or tap here to enter text.](#)¹³ (the “Disclosure Statement”), and it is provided to help you understand the *Chapter 11 Plan of Reorganization Dated* [Click or tap here to enter text.](#)¹⁴ (the “Plan”) separately filed with the Court. Under the Bankruptcy Code, Debtor, and under some circumstances, creditors and other parties in interest, may propose a plan. The Plan may provide for Debtor to reorganize [Click or tap here to enter text.](#)¹⁵ debts, to liquidate by selling assets of the estate, or a combination of both. [Click or tap here to enter text.](#)¹⁶ is proposing the Plan sent to you along with this document.

This is a [Click or tap here to enter text.](#)¹⁷ plan. The Proponent seeks to accomplish payments under the Plan by [Click or tap here to enter text.](#)¹⁸ The Effective Date of the proposed Plan is [Click or tap here to enter text.](#)¹⁹

A. **Purpose of this Document**

This Disclosure Statement summarizes what is in the Plan. It also provides information relating to the Plan and the process the Bankruptcy Court follows to determine whether or not to approve the Plan.

⁸ Unless otherwise indicated, capitalized terms herein correspond with capitalized terms in the Plan.

⁹ Debtors’ name(s)

¹⁰ Petition Date

¹¹ Debtor(s) or petitioning creditor(s)

¹² Voluntary or involuntary

¹³ Date of Plan

¹⁴ Date of Plan

¹⁵ Her, his, or their

¹⁶ Plan proponent’s name

¹⁷ “Liquidating,” “reorganizing,” or “combined liquidating and reorganizing”

¹⁸ Provide brief summary of how Proponent will fund the Plan

¹⁹ Effective Date of Plan

READ THIS DISCLOSURE STATEMENT CAREFULLY TO LEARN

- (1) WHO CAN VOTE FOR OR AGAINST THE PLAN;**
- (2) WHO CAN OBJECT TO THE PLAN;**
- (3) THE PROPOSED TREATMENT OF YOUR CLAIM, i.e. what you will receive if the Plan is confirmed, AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN A CHAPTER 7 LIQUIDATION;**
- (4) THE HISTORY OF DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;**
- (5) WHAT THE BANKRUPTCY COURT WILL CONSIDER WHEN DECIDING WHETHER OR NOT TO CONFIRM THE PLAN;**
- (6) THE EFFECT OF CONFIRMING THE PLAN; AND**
- (7) FEASIBILITY OF THE PLAN.**

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern. This Disclosure Statement cannot tell you everything about your rights in this case. You should consider consulting with a lawyer to obtain advice on how this Plan will affect you and what is the best course of action for you.

This Disclosure Statement is provided to each creditor whose claim has been scheduled by Debtor or who has filed a proof of claim against Debtor. Under the Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement.

Bankruptcy Code § 1125 requires a Disclosure Statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined as, “information of a kind, and in sufficient detail,” about a debtor and its operations “that would enable a hypothetical reasonable investor typical of holders of claims or interests” of

the debtor to make an informed judgment about accepting or rejecting the Plan. *See* 11 U.S.C. § 1125(a)(1).

B. Confirmation Procedures.

Persons Potentially Eligible to Vote on the Plan:

In determining acceptance of the Plan, votes will only be counted if submitted by a Creditor whose Claim (1) is scheduled by Debtor as undisputed, non-contingent, and unliquidated, (2) was filed prior to the hearing on confirmation of the Plan and to which no objection has been filed, (3) has been temporarily allowed by the Bankruptcy Court for voting purposes, or (4) has been allowed by the Court. The Ballot Form you received does not constitute a proof of claim. The Clerk of the Bankruptcy Court will not provide this information by telephone.

THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. IF, HOWEVER, THE BANKRUPTCY COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON DEBTOR AND ON ALL CREDITORS IN THIS CASE.

C. Disclaimers.

The financial data relied upon in formulating the Plan is based on [Click or tap here to enter text.](#)²⁰ The information contained in this Disclosure Statement is provided by [Click or tap here to enter text.](#)²¹ The Proponent represents that everything stated in the Disclosure Statement is true and correct to the best of Proponent's knowledge. No other statements or information are authorized except as contained in this Disclosure Statement.

²⁰ Insert documents such as Debtor's books and records, financial statements such as projections, appraisals, and evaluations, as well as who provided these documents.

²¹ Identify by name and title the party providing the financial information (i.e., accountant, accounting firm, bookkeeper, etc.).

PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

II. **BACKGROUND**

A. **Description of Debtor's Employment and/or Business.**

Debtor is in the business of [Click or tap here to enter text.](#)²²

B. **Events Leading to Chapter 11 Filing.**

Here is a brief summary of the circumstances that led to the filing of this Chapter 11 case: [Click or tap here to enter text.](#)²³

C. **Significant Events during the Bankruptcy.**

1. **Bankruptcy Proceedings.**

The following is a chronological list of significant events which have occurred during this case: [Click or tap here to enter text.](#)²⁴

The Bankruptcy Court has approved the employment of the following professionals: [Click or tap here to enter text.](#)²⁵

Currently, the following significant adversary proceedings and motions are still

²² List: (i) Debtor's employer and description of the employer's type of business; (ii) length of Debtor's employment; (iii) Debtor's position, including title, number of hours worked, salaried or hourly; (iv) description of Debtor's duties; and (v) amount of Debtor's compensation.

²³ Discuss the specific events and dates which led Debtor to file bankruptcy. Proponent must disclose the receipt of any notices from any governmental agency relating in any manner to actual or potential liability on the part of Debtor for any environment or toxic waste hazards, whether or not occurring on Debtor's premises.

²⁴ In chronological order, list the significant events and orders that have been entered in this case and the entry dates of the orders. Also, give a brief description of the proceedings that led to the entry of the orders.

²⁵ Detailed list of the professionals who have obtained Bankruptcy Court approval of their employment, including: (i) the professional's name, (ii) scope of employment, and (iii) date Court approved the employment; and (iv) estimate of amount owed.

pending: [Click or tap here to enter text.](#)²⁶

2. Other Legal Proceedings.

In addition to the proceedings discussed above, Debtor is currently involved in the following non-bankruptcy legal proceedings: [Click or tap here to enter text.](#)²⁷

3. Actual and Projected Recovery of Preferential or Fraudulent Transfers.²⁸

\$ [Click or tap here to enter text.](#)²⁹ is estimated to be realized from the recovery of fraudulent and preferential transfers. The following is a summary of the fraudulent conveyance and preference actions filed or to be filed in this case: [Click or tap here to enter text.](#)³⁰

4. Procedures Implemented to Resolve Financial Problems.

In an effort to remedy the problems that led to the bankruptcy filing, Debtor has implemented the following: [Click or tap here to enter text.](#)³¹

5. Current and Historical Financial Conditions.³²

²⁶ Brief description of the following: (i) each significant adversary proceeding or motion that is still pending, including objections to claims; (ii) the status of each matter; (iii) the effects winning or losing the matter will have on the Plan; and (iv) the anticipated cost of pursuing or defending the matter.

²⁷ Brief description of the following: (i) each significant matter that is still pending in other courts; (ii) status of each matter, (i.e. whether the matter is stayed); (iii) effect the outcome of the matter will have on the Plan; and (iv) the anticipated cost of pursuing or defending the matter.

²⁸ If no preference or fraudulent conveyance actions exist and none are expected to be filed, then insert an affirmative statement to that effect and delete the rest of the text under this heading.

²⁹ Estimated total recovery in dollar amount from avoiding preferential and fraudulent transfers and anticipated total expense of pursuing those matters.

³⁰ Provide a brief summary of each fraudulent conveyance or preference action. For each action, include the name of the defendant, summary of the underlying facts, status of the action, and the estimated amount of recovery.

³¹ Describe with specificity the post-petition efforts Debtor made to remedy the problems that led to the filing of bankruptcy. Also describe the goals Debtor had in mind when implementing these procedures (e.g., reduce expenses, increase income).

³² The Proponent should provide a textual discussion pertaining to Debtor's historical current financial condition. This discussion should inform the reader about Debtor's current income and expenses and whether Debtor's operations, if any, are currently profitable and whether Debtor is

[Click or tap here to enter text.](#) (Include description, valuation, means for valuation and documentary support for the valuation approach taken.)

[Click or tap here to enter text.](#) (For historical data, attach as Exhibit 1 a completed Summary of Monthly Operating Reports filed by Debtor.)

D. **Assets of the Debtor.**

[Click or tap here to enter text.](#) (Include a description of all of Debtor's assets, both exempt and non-exempt.)

III. **SUMMARY OF THE PLAN OF REORGANIZATION**

The Plan classifies Claims in various Classes. The Plan states whether each Class of Claims is Impaired or unimpaired. The Plan provides the treatment each Class will receive as follows:

A. **Non-Voting Classes.**

Certain types of Claims are not placed into voting Classes. They are not considered Impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them under the Bankruptcy Code.

1. **Class 1 Administrative Expenses and Fees.**

Administrative Expenses are Claims for costs or expenses of administering Debtor's Chapter 11 case, which are allowed under Bankruptcy Code § 503(b). Fees payable to the Clerk of the Bankruptcy Court and the Office of the United States Trustee were also incurred during the Chapter 11 Case.

The Bankruptcy Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to different treatment. The Bankruptcy Court must approve all professional compensation and expenses. Each

current with post-petition expenses. If not, the Proponent should include a schedule of post-petition obligations. Each document shall identify (i) the accounting method used (e.g. cash or accrual), (ii) whether the financial statements are prepared in conformity with generally accepted accounting principles, and (iii) if the financial statements have been audited.

Professional Person requesting compensation in the case pursuant to Bankruptcy Code §§ 327, 328, 330, 331, 503(b) and/or 1103 shall file an application for allowance of final compensation and reimbursement of expenses not later than sixty (60) days after the Confirmation Date. Nothing herein shall prohibit each Professional Person from requesting interim compensation during the course of this case pending Confirmation of this Plan. No motion or application is required to fix fees payable to the Clerk’s Office or the Office of the United States Trustee, as those fees are determined by statute. The Administrative Claims to be paid on the Effective Date will total approximately \$[Click or tap here to enter text.](#)³³

B. Classified Claims.

1. Classes of Secured Claims.

Secured Claims are Claims secured by liens on property of the estate.

The following represents all Classes containing pre-petition Secured Claims and their treatment under this Plan:

Class 2 Property to Be Surrendered

Class 2	Name of Creditor	Description of Collateral
2A		
2B		
2C		

Debtor will surrender the above collateral on the Effective Date of the Plan. The Confirmation Order will constitute an order for relief from stay. Any Secured Claim in this category is satisfied in full through surrender of collateral. Any remaining allowed deficiency Claim is a general Unsecured Claim and will be treated, and the creditor will vote, in Class 11 below. **These Secured Claims are not Impaired and are not entitled to vote as a Class 2 creditor.**

³³ Approximate total of Administrative Claims to be paid on the Effective Date

Class 3 Property to Be Sold

Class 3	Name of Creditor	Description of Collateral	Value of Collateral	Sale Terms³⁴
3A				
3B				
3C				

Debtor will sell the above collateral after the Effective Date of the Plan. Any Secured Claim will be satisfied in full through sale of the collateral. Any remaining allowed deficiency Claim is a general Unsecured Claim and will be treated in Section Class 11 below. **These Secured Claims are Impaired and are entitled to vote.**

Class 4 Secured Creditors' Rights Remain Unchanged

Class 4	Name of Creditor	Description of Collateral	Payment Terms
4A			
4B			
4C			

These Creditors' legal, equitable, and contractual rights remain unchanged with respect to the above collateral. Creditors in these Classes shall retain their interest in the collateral until paid in full. **These Secured Claims are not Impaired and are not entitled to vote.**

Class 5 Debtor to Make Regular Payments and Pay Arrears over Time

Class 5	Name of Creditor	Description of Collateral	Arrears Amount³⁵	Payment Terms³⁶
5A				
5B				

³⁴ Insert all sale details including but not limited to projected sale date, "sale by" date, sale terms, minimum price, etc.

³⁵ Separately identify pre and post-bankruptcy arrears.

³⁶ Principal, interest, amortization schedule, balloon payment date (if any).

5C				
-----------	--	--	--	--

These Secured Claims are Impaired and entitled to vote.

Class 6 Debtor to Strip Lien to Value of Collateral and Pay over Time

Class 6	Name of Creditor	Description of Collateral	Collateral Value and Basis of Valuation	Payment Terms³⁷
6A				
6B				
6C				

6(a). Debtor contends the value of the collateral is less than the amount of the Claim. Debtor will pay as a Secured Claim the amount equal to the value of the collateral as established by Bankruptcy Court order or stipulation. Debtor will pay the above Secured Claim in full with interest from the Effective Date through [Click or tap here to enter text.](#)³⁸ equal payments. Payments will be due on the [Click or tap here to enter text.](#)³⁹ day of the month, starting on [Click or tap here to enter text.](#)⁴⁰ Any remaining amount due is a general Unsecured Claim and will be treated in Class 11 below. If any creditor in Class 6 is making an election under § 1111(b), see ¶6(b) below.

6(b). Deadline for Bankruptcy Code §1111(b) Election. Creditors with an Allowed Secured Claim in Class 6 may make a timely election under Bankruptcy Code § 1111(b) no later than the time specified in Bankruptcy Rule 3014. If any of the Secured Creditors with Claims in Class 6, secured by a lien on property of the estate, make the Bankruptcy Code § 1111(b) election, then the following terms apply instead of those stated above:

³⁷ Identify regular monthly payment, additional payment and arrearage payment terms.

³⁸ Number of payments.

³⁹ Date of the month.

⁴⁰ Payment start date.

Class 6	Name of Creditor	Description of Collateral	Section 1111(b) Payment Terms
6A			
6B			

These Claims are Impaired and entitled to vote on Confirmation of the Plan.

Class 7 Debtor to Strip Lien

Class 7	Name of Creditor	Description of Collateral	Payment Terms
7A			
7B			
7C			

Any Claim of a Creditor whose lien is stripped is a general Unsecured Claim and will be treated in Class 11 below. **These Claims are Impaired and entitled to vote.**

Class 8 Debtor to Adjust Terms and Pay Amount in Full over Time

Class 8	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
8A						
8B						
8C						

These Claims are Impaired and entitled to vote on Confirmation of the Plan.

2. Class 9 Priority Non-Tax Claims.⁴¹

Certain Priority Non-Tax Claims referred to under Bankruptcy Code §§ 507(a)(1)-(7) are entitled to priority treatment. These Claims are to be treated as follows:

Class 9	Name of Creditor	Payment Terms
9A		
9B		
9C		

⁴¹ **NOTE:** There may need to be separate Classes for different categories of Priority Non-Tax Claims as they may require different treatment under the Plan. See Bankruptcy Code § 1129(a)(9)(A)-(B).

These Claims are Impaired and entitled to vote on Confirmation.

3. Class 10 Priority Tax Claims.

Priority Tax Claims are Claims of governmental units for certain income, employment and other taxes described under Bankruptcy Code § 507(a)(8). These Claims are entitled to priority and must be paid pursuant to Bankruptcy Code §§ 1129(a)(9)(C) and (D). These Claims are to be treated as follows:

Class 10	Name of Creditor	Payment Terms
10A		
10B		
10C		

These Claims are Impaired.

- The Proponent Contends These Claims are Entitled to Vote.**
- The Proponent Contends These Claims are Not Entitled to Vote.**

4. Class 11 Class of General Unsecured Claims.

General Unsecured Claims are not entitled to priority under Bankruptcy Code §507(a). These Claims are to be treated as follows: [Click or tap here to enter text..](#)⁴²

Under Bankruptcy Code § 1129(a)(15), if an unsecured creditor objects to Confirmation, an individual debtor must either pay the present value of that Unsecured Claim in full or make distributions under the Plan totaling at least the value of Debtor’s net disposable income over the greater of: (i) five years; or (ii) the time period during which the Plan provides for payments. Bankruptcy Code § 1129(a)(15) should be read and applied in conjunction with Bankruptcy Code § 1123(a)(4), which provides that Plan must provide the same treatment for each Claim in the particular Class.

These Claims are Impaired and entitled to vote.

5. Cramdown and Absolute Priority Rule.

⁴² Payment Terms for General Unsecured Claims

If a Class of Creditors does not accept the Plan, Debtor will seek to obtain Confirmation through the cramdown provisions of Bankruptcy Code § 1129(b). This means that the Plan must be fair and equitable to the Class that does not accept the Plan. The test for whether the Plan is fair and equitable is found under Bankruptcy Code § 1129(b).

The balance of this section only applies if a Class of Unsecured Claims does not accept the Plan. In that instance, Debtor seeks Confirmation of the Plan pursuant to Bankruptcy Code § 1129(b). The Absolute Priority Rule is contained in Bankruptcy Code § 1129(b)(2)(B).⁴³ If a Class of Unsecured Claims has not voted to accept the Plan, the Absolute Priority Rule provides that Debtor may not retain property unless the holders of Claims in the Class are paid in full.

If a Class of Unsecured Claims does not accept this Plan, Debtor will (mark all that apply):

- Allege that the Absolute Priority Rule does not apply in this Chapter 11 case.
- Withdraw this Plan.
- Sell or surrender all of their non-exempt property and pay any resulting proceeds to Creditors.
- Increase the distribution to the holders of Unsecured Claims such that each holder is paid in full.
- Other. Describe: [Click or tap here to enter text.](#)⁴⁴

C. **Acceptance or Rejection of Plan.**

Each Impaired Class of Creditors with Claims against Debtor's estate shall be entitled to vote separately to accept or reject the Plan. A Class of Creditors shall have accepted the Plan if the Plan is accepted by at least two-thirds in the aggregate dollar amount and more than one-half in number of holders of the Allowed Claims of such Class

⁴³ The 9th Circuit Court of Appeals has determined that the Absolute Priority Rule applies to individual chapter 11 cases. See *In re Zachary*, 811 F. 3d 1191 (9th Cir. 2016).

⁴⁴ Brief description of Debtor's other options.

that have voted to accept or reject the Plan.

In the event that any Impaired Class of Creditors shall fail to accept the Plan in accordance with Bankruptcy Code § 1129(a), the Proponent reserves the right to request that the Bankruptcy Court confirm the Plan in accordance with Bankruptcy Code § 1129(b).

D. Means of Effectuating the Plan.

1. Funding for the Plan.

The Plan will be funded as follows:

- \$Click or tap here to enter text.⁴⁵ of cash available on the Effective Date;
- Effective Date Payments, estimated to total \$Click or tap here to enter text., of which \$Click or tap here to enter text. constitutes new value.
- A sale of property(ies) identified below, which is estimated to produce net proceeds of \$Click or tap here to enter text.⁴⁶ no later than Click or tap here to enter text.;⁴⁷
- Projected net/disposable income of not less than \$Click or tap here to enter text.⁴⁸ per month for a term of Click or tap here to enter text.⁴⁹ months as calculated and set forth in greater detail Exhibit 2 attached hereto; and/or
- Other sources of funding in the amount of \$ Click or tap here to enter text.,⁵⁰ to be paid
 - in whole on the Effective Date;
 - in whole no later than Click or tap here to enter text.;⁵¹ or

⁴⁵ Amount of money available to fund the Plan.

⁴⁶ Amount of money available to fund the Plan through property sales.

⁴⁷ Date.

⁴⁸ Amount of monthly projected disposable income.

⁴⁹ Number of months.

⁵⁰ Amount of money from other funding sources.

⁵¹ Date.

- in partial amounts not less than \$ [Click or tap here to enter text.](#)⁵² per month for a term of [Click or tap here to enter text.](#)⁵³ months.

2. Assets Retained By the Debtor.

a. Non-Exempt Assets Retained By Debtor:

[Click or tap here to enter text.](#)⁵⁴

b. Exempt Assets Retained By Debtor:

[Click or tap here to enter text.](#)⁵⁵

E. Feasibility.

A requirement for Confirmation is that the Plan must be feasible, which means that Plan Confirmation 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.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether 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 the Effective Date. The second aspect considers whether the Proponent will have enough cash over the life of the Plan to make the required Plan payments. The Effective Date feasibility of Debtor's Plan is set forth in Exhibit 2.

The Proponent contends that Debtor's financial projections are feasible in light of the financial records maintained by the Debtor prior to and during the pendency of the bankruptcy case. Debtor's average income, after paying expenses and taxes, in the [Click or tap here to enter text.](#)⁵⁶ years preceding the filing of this bankruptcy case is \$[Click or tap here to](#)

⁵² Amount of partial monthly payments.

⁵³ Number of months.

⁵⁴ Provide additional discussion regarding plan funding, if necessary.

⁵⁵ Provide additional discussion regarding plan funding, if necessary.

⁵⁶ Number of years

[enter text.](#)⁵⁷ Proponent believes Debtor's average Post-Petition [Click or tap here to enter text.](#)⁵⁸ income, after paying expenses and post-petition taxes was \$[Click or tap here to enter text.](#)⁵⁹ As set forth in the financial projections attached hereto as Exhibit 2, the Proponent projects that, the Debtor's post-Confirmation income will exceed the Debtor's living expenses and Plan payments. Furthermore, as discussed above, Debtor has implemented procedures to [Click or tap here to enter text.](#)⁶⁰ Accordingly, the Proponent believes, on the basis of the foregoing, that the Plan will be feasible.

F. **Liquidation Analysis.**

A requirement for confirmation is the "Best Interest of Creditors Test," which requires the Proponent to provide a liquidation analysis. Under this test, if a claimant is in an Impaired Class and that claimant does not vote to accept the Plan, then that claimant must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured Creditors are paid first from the sales proceeds of properties on which the Secured Creditor has a lien. Administrative claims are paid next. Then Unsecured Creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured Creditors with the same priority share in proportion to the amount of their Allowed Claims.

An analysis of the liquidation values and expenses is attached as Exhibit 3 to the Disclosure Statement. For the Bankruptcy Court to confirm this Plan, it must find that all Creditors who do not accept the Plan will receive at least as much under the Plan as such

⁵⁷ Amount of actual average income per Plan payment interval, after paying expenses and post-confirmation taxes, for the three years preceding the filing of this bankruptcy case.

⁵⁸ Plan payment interval (e.g., monthly, yearly, quarterly).

⁵⁹ Debtor's average income per Plan payment interval, after paying expenses and post-confirmation taxes, during the bankruptcy case.

⁶⁰ Select one: (i) decrease costs; (ii) increase costs; (iii) decrease costs and increase income.

holders would receive under Chapter 7 liquidation. The Proponent maintains that this requirement is met here for the following reasons [Click or tap here to enter text.](#)⁶¹

G. **Disbursing Agent.**⁶²

Debtor shall serve as the Disbursing Agent without compensation and without posting a bond; or

[Click or tap here to enter text.](#)⁶³ shall act as the disbursing agent for the purpose of making all distributions provided for under the Plan. The Disbursing Agent shall serve [Click or tap here to enter text.](#)⁶⁴ bond and shall receive \$[Click or tap here to enter text.](#)⁶⁵ for distribution services rendered and expenses incurred pursuant to the Plan. The reasons for appointing a Disbursing Agent other than the Debtor are [Click or tap here to enter text.](#)⁶⁶

IV. **TREATMENT OF MISCELLANEOUS ITEMS**

A. **Executory Contracts and Unexpired Leases.**

1. **Assumptions.**

The following are the unexpired leases and executory contracts previously assumed or that are to be assumed as obligations of the Reorganized Debtor under the Plan:

Assumed or To Be Assumed Executory Contracts and Unexpired Leases

Counterparty	Description of Agreement	Payment Terms	Cure Amounts

On the Effective Date, any of the unexpired leases and executory contracts listed above that have not previously been assumed shall be assumed as obligations of the

⁶¹ Describe bases by which the liquidation analysis is satisfied.

⁶² Defined in Section II (§11) of the Plan.

⁶³ Name and identify of disbursing agent.

⁶⁴ “with” or “without”

⁶⁵ Explain whether disbursing agent will be compensated or reimbursed for services and expenses rendered and incurred in connection with making distributions under the Plan. If the Disbursing Agent will be compensated or reimbursed, specify the exact amount and the interval of payment.

⁶⁶ Explain why the Debtor is not going to be the Disbursing Agent.

Reorganized Debtor. The Order of the Bankruptcy Court confirming the Plan shall constitute an Order approving the assumption of each lease and contract listed above. **If you are a party to a lease or contract to be assumed and you object to the assumption of your lease or contract, you must file and serve your objection to the Plan within the deadline for objecting to the Confirmation of the Plan.**

2. Rejections.

The following are the unexpired leases and executory contracts that have previously been rejected or that are to be rejected under the Plan:

Rejected or To Be Rejected Executory Contracts and Unexpired Leases

Counterparty	Description of Agreement

3. Claims Bar Date for Rejected Contracts and Leases.

On the Effective Date, all executory contracts not assumed shall be deemed to be rejected. The Order confirming the Plan shall constitute an order approving the rejection of the leases or contracts that have not previously been rejected. If you are a party to a contract or lease to be rejected and 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 BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION UNDER THE PLAN OF A LEASE OR CONTRACT IS THIRTY (30) DAYS FROM THE EFFECTIVE DATE OF THE PLAN.** Any Claim based on the rejection of executory contracts or unexpired leases will be barred if the proof of Claim is not timely filed, unless the Bankruptcy Court later orders otherwise.

B. Retention of Jurisdiction.

The Bankruptcy Court shall retain jurisdiction of this case pursuant to the provisions of the Bankruptcy Code, pending the final allowance or disallowance of all Claims affected by the Plan, and to make such orders as are necessary or appropriate to carry out the provisions of this Plan.

In addition, the Bankruptcy Court shall retain jurisdiction to implement the provisions of the Plan in the manner as provided under Bankruptcy Code § 1142(a)-(b). If the Bankruptcy Court abstains from exercising, or declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section, or if Debtor or the Reorganized Debtor elect to bring an action or proceeding in any other forum, then this Section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court, public authority or commission having competent jurisdiction over such matters.

C. Procedures for Resolving Contested Claims.

If Debtor disagrees with the amount of any secured or unsecured claim, Debtor must separately file an objection to any claim it is not accepting. Objections to Secured Claims must be filed prior to the deadline for filing objections to Confirmation. Objections to Unsecured Claims, except for those Claims more specifically deemed Allowed in the Plan, may be filed by Reorganized Debtor or any party in interest up to and including sixty (60) days following the entry of the Confirmation Order. With respect to disputed Claims, the Disbursing Agent will hold in a separate interest bearing reserve account such funds as would be necessary to make the required distribution on the Claim as listed either in Debtor's schedules or the filed proof(s) of claim.

D. Notices under the Plan.

All notices, requests or demands with respect to this Plan shall be in writing and shall be deemed to have been received within five (5) days of the date of mailing, provided

they are sent by U.S. mail, postage prepaid by Proponent to the address identified in a party's proof of claim filed in this case and to the address identified in a party's notice of appearance filed with the Court, and if sent to the Proponent, addressed to: [Click or tap here to enter text.](#)⁶⁷

V. **EFFECT OF CONFIRMATION OF PLAN**

A. **Discharge.**

Under Bankruptcy Code § 1141(d)(5), an individual Debtor will not be discharged from any debts unless and until: (i) Debtor completes all payments under the Plan and obtains an order of the Bankruptcy Court granting a discharge; (ii) the Bankruptcy Court grants a limited ("hardship") discharge as allowed under Bankruptcy Code § 1141(d)(5)(B); or (iii) the Bankruptcy Court orders otherwise for cause. Notwithstanding the other terms of this paragraph, non-dischargeable debts under Bankruptcy Code § 523 will not be discharged.

If Confirmation of this Plan does not occur, the Plan shall be deemed null and void. In such event, nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claims against Debtor or its estate or any other Persons, or to prejudice in any manner the rights of Debtor or its estate or any Person in any further proceeding involving Debtor or its estate. The provisions of this Plan shall be binding upon Debtor and all Creditors, regardless of whether such Claims are Impaired or whether such parties accept this Plan, upon Confirmation thereof.

B. **Re-vesting of Property in Debtor.**

Except as provided in Section V(D) below, Confirmation re-vests all of the property of the estate in Debtor.

C. **Modification of Plan.**

The Proponent may modify the Plan at any time before Confirmation. The

⁶⁷ Address and telephone number of Proponent and counsel.

Bankruptcy Court, however, may require a new disclosure statement or re-voting on the Plan if the Proponent modifies the Plan before Confirmation. The Proponent may also seek to modify the Plan at any time after Confirmation as long as: (i) the Plan has not been substantially consummated; and (ii) the Bankruptcy Court authorizes the proposed modification after notice and a hearing.

D. Post-Confirmation Conversion/Dismissal.

A creditor or party in interest may bring a motion to convert or dismiss the case under Bankruptcy Code § 1112(b), after the Plan is confirmed, if there is a default in performing under the Plan. If the Bankruptcy Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter 7 estate, and the automatic stay will be re-imposed upon the re-vested property only to the extent that relief from stay was not previously granted by the Bankruptcy Court during this case.

E. Post-Confirmation Quarterly Fees.

Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the office of the United States Trustee post-Confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.

Date: [Click or tap here to enter text.](#)

[Click or tap here to enter text.](#)

Name of Proponent

Exhibit 1 – Summary of Monthly Operating Reports (“MOR”)

<u>Month</u>	<u>MOR ECF#</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Net</u>
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$
4		\$	\$	\$
5		\$	\$	\$
6		\$	\$	\$
7		\$	\$	\$
8		\$	\$	\$
9		\$	\$	\$
10		\$	\$	\$
11		\$	\$	\$
12		\$	\$	\$
		_____	_____	_____
Monthly Average:		\$	\$	\$

Exhibit 2 – Liquidation Analysis: What Creditors Would Receive if the Case Were Converted to a Chapter 7.

Real Property #1: Click or tap here to enter text.⁶⁸

Fair Market Value	Lien Amount	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
\$	1st: \$	\$	\$	\$	\$
	2nd: \$				
	3rd: \$				

Real Property #2: Click or tap here to enter text.⁶⁹

Fair Market Value	Lien Amount	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
\$	1st: \$	\$	\$	\$	\$
	2nd: \$				
	3rd: \$				

⁶⁸ Address for Real Property #1

⁶⁹ Address for Real Property #2

Real Property #3: Click or tap here to enter text.⁷⁰

Fair Market Value	Lien Amount	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
\$	1st: \$	\$	\$	\$	\$
	2nd: \$				
	3rd: \$				

Real Property #4: Click or tap here to enter text.⁷¹

Fair Market Value	Lien Amount	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
\$	1st: \$	\$	\$	\$	\$
	2nd: \$				
	3rd: \$				

⁷⁰ Address for Real Property #3

⁷¹ Address for Real Property #4

Exhibit 3 (continued) – Liquidation Analysis: What Creditors Would Receive if the Case Were Converted to Chapter 7.

Personal Property:

Description	Liquidation Value	Lien Amount	Amount of Exemption	Net Proceeds
Cash				
Automobile #1				
Automobile #2				
Household Furnishings				
Jewelry				
Equipment				
Stocks / Investments				
Other Personal Property				
TOTAL				

Summary:

Net Proceeds of Real Property and Personal Property	
Recovery from Preferences / Fraudulent Conveyances	[ADD]
Chapter 7 Trustee Fees	[SUBTRACT]
Chapter 7 Trustee’s Professionals’ Fees	[SUBTRACT]

Other Chapter 7 Liabilities	[SUBTRACT]	
Unpaid Chapter 11 Liabilities	[SUBTRACT]	
Priority Claims	[SUBTRACT]	
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS		

Estimated Amount of Unsecured Claims	
Percent Distribution to Unsecured Creditors Under Proposed Plan	%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	%

Exhibit 3 – Projected Post-Confirmation Monthly Income & Expenses. [for the Preferred Form, see SAMPLE PDF and fillable Excel spreadsheet (template) on the Court’s website at <http://www.azb.uscourts.gov>. Once completed, the fillable Excel spreadsheet is to be saved as a pdf file and attached to this document.]

Exhibit 3- Anticipated Income and Expenses

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	YEARLY TOTALS
GROSS MONTHLY INCOME	\$10,000.00	\$ 120,000.00											
NEW VALUE (EFFECTIVE DATE)	\$ 4,000.00												\$4,000.00
	\$14,000.00												
PERSONAL EXPENSES													
Rent/Mortgage	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$12,600.00
Utilities	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Insurance - Home/Content	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$900.00
Insurance - Auto	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$2,580.00
Insurance - Health	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Gas & Auto Maintenance	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Entertainment, Clothing, Personal Care	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$7,200.00
Medical Expenses	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Groceries & Dining	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Taxes - Federal & State Withholding	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,200.00
TOTAL PERSONAL EXPENSES	\$4,990.00	\$59,880.00											
PLAN PAYMENTS													
Class 1: UST Fees	\$516.66												\$516.66
Class 2: Attorney Fees	\$4,000.00												\$4,000.00
Class 3: IRS	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$1,444.38	\$17,332.56
Class 4: IRS	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$431.54	\$5,178.48
Class 5: US Bank	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$1,203.78	\$14,445.36
Class 7: Atlas	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$58.27	\$699.24
Class 8: Cognical	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$69.26	\$831.12
Class 9: Cash Title Time Loans	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$150.97	\$1,811.64
Class 9: Unsecured	\$0.00	\$0.00	\$0.00	\$6,500.00	\$0.00	\$0.00	\$0.00	\$6,500.00	\$0.00	\$0.00	\$0.00	\$6,500.00	\$19,500.00
TOTAL PLAN PAYMENTS	\$7,358.20	\$3,358.20	\$3,358.20	\$9,858.20	\$3,358.20	\$3,358.20	\$3,358.20	\$9,858.20	\$3,358.20	\$3,358.20	\$3,358.20	\$9,858.20	\$63,798.40
TOTAL EXPENSES	\$12,348.20	\$8,348.20	\$8,348.20	\$14,848.20	\$8,348.20	\$8,348.20	\$8,348.20	\$14,848.20	\$8,348.20	\$8,348.20	\$8,348.20	\$14,848.20	\$123,678.40
NET	\$1,651.80	\$3,303.60	\$4,955.40	\$107.20	\$1,759.00	\$3,410.80	\$5,062.60	\$214.40	\$1,866.20	\$1,651.80	\$5,169.80	\$321.60	\$321.60

Projected distribution to unsecured creditors _____ %.

New value contribution \$ _____.

Estimated total cash on hand on effective date \$ _____.