

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION

In re:

JAMES HENRY EDWARDS,

Debtor and Debtor-in-Possession.

Case No. 16-33547-WRS

Chapter 11

DISCLOSURE STATEMENT OF  
JAMES HENRY EDWARDS  
PURSUANT TO 11 U.S.C. § 1125

Date: April 6, 2018

MEMORY & DAY

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## ARTICLE I

### INTRODUCTION

**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE COURT WILL DETERMINE WHETHER THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO BE APPROVED BY THE COURT. "ADEQUATE INFORMATION" IS DEFINED BY § 1125(a)(1) OF THE BANKRUPTCY CODE TO MEAN THAT THE INFORMATION MUST BE SUFFICIENT FOR THE PARTIES VOTING ON THE PLAN "TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN."**

James Henry Edwards ("Debtor") filed for Chapter 13 bankruptcy protection on December 16, 2016, in the United States Bankruptcy Court for the Middle District of Alabama, and converted his case to Chapter 11 on June 13, 2017. The Debtor, through his authorized representative, the firm of MEMORY & DAY, submits this Disclosure Statement ("the Disclosure Statement") pursuant to 11 U.S.C. § 1125 to holders of claims and equity interests in the Debtor in connection with: (i) the solicitation of acceptances or rejections of the Debtor's Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated **April 6, 2018** (the "Plan"), as may be amended, and filed by the Debtor with the United States Bankruptcy Court for the Middle District of Alabama (the "Bankruptcy Court"); and, (ii) the hearing to consider confirmation of the Plan (the "Confirmation Hearing") to be scheduled by the Court at a date not less than twenty-five (25) days after the approval of this Disclosure Statement. Unless otherwise defined herein, all capitalized terms contained herein have the meaning ascribed to them in the Plan.

In addition, there will be a ballot, **Exhibit A**, for acceptance or rejection of the Plan attached to the Disclosure Statement submitted to the holders of claims when and if the Disclosure Statement is approved.

After notice and a hearing, the Bankruptcy Court may approve this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable a hypothetical, reasonable investor, typical of the Debtor's creditors herein, to make an informed decision as to whether to accept or reject the Plan. Approval by the Bankruptcy Court of this Disclosure Statement does not, in and of itself, constitute a determination by the Bankruptcy Court as to the fairness, merits, or confirmability of the Plan. All creditors of this bankruptcy estate who are entitled to vote on the acceptance or rejection of the Debtor's Plan should read this Disclosure Statement and the Plan itself in their entirety before voting.

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Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired under the terms and provisions of a Chapter 11 plan are entitled to vote to accept or reject the plan. Classes of claims or equity interests in which the holders of claims or interests will not receive or retain any property under a Chapter 11 plan are deemed to have rejected the plan and are not allowed to vote on the plan. Classes of claims or equity interests in which the holders of claims or interests are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and are not entitled to vote on the plan.

For a more detailed explanation of which classes are impaired or unimpaired and which classes are entitled to vote, each creditor should read the Plan of Reorganization in its entirety to determine his, her, or its rights.

The Bankruptcy Court defines “acceptance” of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. For a complete description of the requirements for confirmation of the Plan, please review the appropriate sections in the Plan of Reorganization that deal with the confirmation procedure.

Liabilities incurred in the ordinary course of business by the Debtor after the Chapter 11 petition was filed, and other liabilities incurred by the Debtor post-petition, are described in the Plan as “Administrative Claims,” which will be assumed and paid by the Debtor in accordance with the terms and conditions of the particular transaction, the terms and conditions of the Plan, or other agreements relating thereto. Some claimants, including holders of Administrative Claims, will not be permitted to vote on the Plan.

If a class of claims or equity interests rejects the Plan or is deemed to reject the Plan, the plan proponent nevertheless has the right to request confirmation of the Plan, pursuant to § 1129(b) of the Bankruptcy Code. Also known as a “cramdown,” § 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims or equity interests. Under that section, the Bankruptcy Court may confirm the Plan if the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each non-accepting class. However, at least one impaired class of claimants must have accepted the Plan for confirmation of the Plan under § 1129(b) to be effective.

For a plan to be fair and equitable, it must comply with the absolute priority rule. The absolute priority rule requires that, beginning with the most senior rank of claims of creditors against the Debtor, each class in descending rank or priority must receive full and complete compensation before inferior and junior classes may participate in the distribution.

With respect to those classes of claims and equity interests that are deemed to have rejected the Plan, the Debtor intends to request cram-down confirmation of the Plan pursuant to § 1129(b). If one or more of the classes entitled to vote on the Plan votes to reject the Plan, Debtor reserves the right to request confirmation of the Plan over the rejections of such class or classes. The determination as to whether to seek confirmation of the Plan under the cram-down features

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of § 1129(b) will be determined by the tabulations of ballots and announced prior to the hearing of confirmation.

**THE DEBTOR BELIEVES AND SINCERELY URGES THAT THE ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND ALL OF HIS CREDITORS AND URGES THAT THE CREDITORS VOTE TO ACCEPT THE PLAN.**

If you are a creditor entitled to vote on the Plan and did not receive a ballot, received a damaged ballot, or lost your ballot, or if you have any questions concerning the procedures for voting on the Plan, please call **Wm. Wesley Causby** of MEMORY & DAY at **334-834-8000** or email your request to [wcausby@memorylegal.com](mailto:wcausby@memorylegal.com). Requests by email will receive an emailed response. **Facsimile requests will not be accepted. All documents, to include exhibits, will be available for download after approval of the Disclosure Statement at [www.memorylegal.com](http://www.memorylegal.com).**

Pursuant to § 1128 of the Bankruptcy Code, a Confirmation Hearing will be held at a date and time that will be noticed in a separate order. In addition, the Confirmation Hearing will be held before the Honorable William R. Sawyer of the United States Bankruptcy Court for the Middle District of Alabama, Northern Division, One Church Street, Montgomery, AL 36104. The Bankruptcy Court will direct the date and time of the Confirmation Hearing as well as the date and time for any objections to be filed against the Plan, if any, and upon whom they shall be served.

## **ARTICLE II**

### **HISTORICAL DATA**

#### **A. James Henry Edwards**

James Henry Edwards is a licensed psychiatrist who owns, operates, and manages his psychiatry practice, Analytic Options, P.C. (“Analytic Options”). Analytic Options was organized in 2011 as a S-corporation and maintains offices in Opelika and Fairhope, Alabama. The Debtor owns 100% of Analytic Options.

#### **B. Related Entities**

The Debtor’s only related entities are his psychiatry practice, Analytic Options, and a holding company, Analytic Enterprises, L.L.C. (“Analytic Enterprises”), both of which he owns 100% of. Analytic Options has been a profitable business venture but has no liquidation value to unsecured creditors. The Debtor formed Analytic Enterprises in December 2017 to be the assignee and owner to the rights of a book the Debtor is writing and intends to publish; it has no current assets or value.

### **C. Bankruptcy Events**

The Debtor filed for Chapter 13 bankruptcy protection on December 16, 2016, but converted to Chapter 11 bankruptcy on June 13, 2017. The meeting of creditors required by 11 U.S.C. § 341 occurred on July 17, 2017. The Bankruptcy Court established a deadline for non-governmental creditors to file claims of September 15, 2017. The Debtor meets the qualifications of a “small-business debtor,” as that term is defined in the Bankruptcy Code, and the Debtor has operated as a “debtor-in-possession” since conversion of his case to Chapter 11.

A copy of the claims register is available to the public for review and download at: <https://ecf.almb.uscourts.gov>. The Debtor reserves the right to advance such objections as may be deemed appropriate within a period of 30 days after the Effective Date. As of January 11, 2018, the summary of claims, either filed or deemed filed pursuant to 11 U.S.C. § 1111(a), is as follows:

Case Name: James Henry Edwards  
Case Number: 16-33547  
Date Converted: 6/13/2017  
Total Number of Claims: 16

<b>Claim Type</b>	<b>Amount Claimed</b>
Secured	\$95,675.47
Administrative	\$25,000.00
Tax Priority	\$118,716.63
Unsecured	\$393,856.59
<b>Total</b>	<b>\$633,248.69</b>

Creditors and interested parties should be aware that these figures might represent duplicate, erroneous, unliquidated, and improperly classified claims. The Debtor assumes no responsibility for the accuracy, redundancy, or validity of the claims filed and the resulting totals. Moreover, the Debtor reserves the right to advance such objections as may be deemed appropriate within a period up to thirty (30) days after the effective date.

### **D. Employment of Attorneys and Professional Persons**

The Debtor filed an application to employ the firm of MEMORY & DAY as Chapter 11 counsel on June 21, 2017, and filed an application to employ Vogel & Associates, P.C., as his accountant on July 20, 2017. The Bankruptcy Court approved both employment applications on August 29, 2017. No other professionals have been employed in the case since its conversion to Chapter 11.

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**E. Likelihood of Success**

The Debtor asserts that there is a good probability that he will succeed in the consummation of his Plan.

**F. Insider Composition**

One of the purposes of this disclosure statement is to identify affiliations of any individual person, corporation, and/or entity proposed to serve, upon confirmation of the Plan, as an officer, director, voting trustee, affiliate, insider, or successor to the Debtor under the Plan, and to disclose the insiders, affiliates, and their respective relationship(s) and transaction(s) with the Debtor. Reference should be made to 11 U.S.C. §§ 101(2) and (31) for the respective definitions of “affiliate” and “insider.” Pursuant to this declaration, the individuals that would be classified as insiders would be Jane Edwards (spouse).

**G. Projection of Future Performance**

The Debtor receives a salary of \$3,300.00 semi-monthly, plus ownership distributions from Analytic Options, P.C. in varying amounts. However, monthly financial statements since the conversion date indicate average monthly gross income of \$13,786.24 and monthly expenses of \$12,948.47. With a reduction of expenses associated with quarterly fees, modification of certain secured debts (discussed below), and an anticipated increase in earnings and reduction in expenses, the Debtor’s anticipated disposable income is \$5,685.00 per month.

**ARTICLE III**

**ASSET AND LIABILITY EVALUATION**

The Debtor’s estate has the following property:

**A. Assets**

**(1) Real Estate**

<u>Description</u>	<u>Scheduled/Value<sup>1</sup></u>
Leasehold in Fairhope, AL	\$0.00
Unimproved Land in Poplarville, MS	\$480.00
Total	\$480.00

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<sup>1</sup> Present values listed when available.

**(2) Other Assets**

<u>Description</u>	<u>Scheduled/Value</u>
Automobiles (6) <sup>2</sup>	\$25,050.00
Motorcycles & Trailers (3)	\$7,300.00
Watercraft (5)	\$43,800.00
Clothing	\$100.00
Firearms/Hobby	\$4,500.00
DIP Account (Jan. 2018)	\$7,105.89
Household Goods and Furnishings	\$1,200.00
Furs, Jewelry	\$250.00
Value of Related Entities	\$0.00
Investments	\$1,200.00
Causes of Action	Unknown
Insurance	\$0.00
<b>Total</b>	<b>\$90,505.89</b>

**(3) Total Assets**

<u>Description</u>	<u>Scheduled/Value</u>
Real Estate	\$480.00
Other Assets	\$90,505.89
<b>Total</b>	<b>\$90,985.89</b>

**B. Liabilities**

<u>Type</u>	<u>Claimed/Scheduled</u>
<b>Administrative Expenses (est.)</b>	<b>\$25,000.00</b>
MEMORY & DAY	\$20,000.00
Vogel & Associates	\$5,000.00
<b>Secured Claims<sup>3</sup></b>	<b>\$86,894.32</b>

<sup>2</sup> The Debtor scheduled seven automobiles, but surrendered his 2002 Land Rover Discovery. (Docs. 91 and 101). The Debtor also recently wrecked his 2006 BMW M6 and learned April 5, 2018 that it would be declared a total loss by his insurer.

<sup>3</sup> The amounts listed for Exeter Finance Corp. and M&T Bank reflect the current payoff amounts provided by them.

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Exeter Finance Corp.	\$10,955.98
M&T Bank	\$2,967.28
Internal Revenue Service	\$66,816.38
Alabama Dep't of Revenue	\$6,154.68
<b>Priority Taxes</b>	<b>\$118,716.63</b>
Internal Revenue Service	\$106,475.93
Alabama Dep't of Revenue	\$12,240.70
<b>General Unsecured Creditors</b>	<b>\$393,856.59</b>
<b><u>Total Liability</u></b>	<b><u>\$633,248.69</u></b>

## ARTICLE IV

### FUNDING

The Debtor is a licensed psychiatrist. As income, he receives salary of \$3,300.00 semi-monthly, plus distributions (after expenses) from his psychiatry practice, Analytic Options, P.C. Between salary and distributions, the Debtor earns approximately \$200,000.00 per year. He will also begin receiving Social Security income in 2018.

## ARTICLE V

### SUMMARY OF THE PLAN

#### A. Classification of Claims

1. **Class One (Administrative Expenses).** This class is composed of administrative claims that include costs, expenses, and professional fees. This class is composed of MEMORY & DAY and Vogel & Associates, P.C. **This is a non-voting class.**
2. **Class Two (Priority Taxes).** This class is composed of persons or entities that claim the priority payment of taxes and other amounts due governmental agencies. This class is composed of the Internal Revenue Service and the Alabama Department of Revenue. **This is a non-voting class.**
3. **Class Three (Exeter Finance Corporation).** This class consists of the secured claim of Exeter Finance Corporation. This class is impaired and therefore **is a voting class.**
4. **Class Four (M&T Bank).** This class consists of the secured claim of M&T Bank. This class is impaired and therefore **is a voting class.**

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5. **Class Five (Tax Liens).** This class consists of claims filed by governmental agencies that are secured by one or more tax liens to the extent they attach to the Debtor's property. This class is composed of the Internal Revenue Service and the Alabama Department of Revenue. This class is impaired and therefore **is a voting class.**
  
  6. **Class Six (Unsecured/Undersecured).** This class consists of wholly unsecured claims and the unsecured portion of undersecured claims, including general unsecured claims held by the Internal Revenue Service and the Alabama Department of Revenue. This class is impaired and therefore **is a voting class.**

### **B. Treatment of Classes**

The classes of claims set forth in above shall be treated in the following manner:

**GENERAL:** Except as otherwise provided below and elsewhere in the Plan, and except as otherwise agreed by the claimant, property to be distributed under the Plan shall be distributed (a) on, or as soon as practical after, the Effective Date to each holder of an Allowed Claim or an Allowed Interest that is an Allowed Claim or Allowed Interest as of the Effective Date, and (b) to each holder of an Allowed Claim or Allowed Interest that is allowed after the Effective Date, to the extent allowed on the later of one hundred eighty (180) calendar days after the Effective Date or thirty (30) calendar days after the order allowing the Claim or Interest becomes a Final Order, or as specified in the Plan itself and the class to which the holder of the Allowed Claim or Interest is placed.

**CLASS ONE (Administrative Expenses):** Each holder of an Allowed Administrative Expense Claim shall be paid in full, in cash, from proceeds possessed by the confirmed Debtor on the later of (i) the Effective Date, (ii) thirty (30) days after the order allowing the Claim becomes a final order, or (iii) upon such other terms as may be agreed upon by the holder of said claim; provided, however, that administrative expense claims incurred post-conversion in the normal course of the Debtor's business shall be paid in accordance with the terms pursuant to which said obligations were incurred. The total amount of administrative expense claims is estimated to be:

MEMORY & DAY: approximately \$20,000.00, plus anticipated future services to confirmation order estimated at approximately \$5,000.00. However, this estimation is conditioned upon events surrounding confirmation. A final application will be filed with the Bankruptcy Court and submitted for approval.

Vogel & Associates, P.C.: approximately \$5,000.00. This estimation is conditioned upon events surrounding confirmation. A final application will be filed with the Bankruptcy Court and submitted for approval.

The Debtor employed no additional professionals in this matter.

THIS IS A NON-VOTING CLASS pursuant to 11 U.S.C. § 1123(a)(1).

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CLASS TWO (Priority Taxes): The governmental agencies holding priority claims payable pursuant to 11 U.S.C. § 507(a)(8) are as follows:

The Internal Revenue Service holds a priority tax claim of \$70,394.93 for unpaid income tax for years 2013, 2014, and 2015. The Debtor also owes \$36,081.00 for unpaid income tax for year 2016, plus an unknown amount of penalties and interest. Therefore, the Internal Revenue Service holds known total priority tax claims of \$106,475.93, plus unknown 2016 penalties and interest. The Debtor will pay the 2016 penalties and interest within the first 120 days after they have been determined by the Internal Revenue Service or the Effective Date, whichever is later. The remaining Priority Tax Claims of the Internal Revenue Service will be fully paid at 4% over 60 months at \$1,960.92 per month, with payments beginning 30 days after the Effective Date.

The Alabama Department of Revenue holds priority tax claims of \$6,351.70 for unpaid income taxes for years 2014 and 2015. The Debtor also owes \$5,889.00 for unpaid income tax for year 2016, plus an unknown amount of penalties and interest. Therefore, the Alabama Department of Revenue holds known total priority tax claims of \$12,240.70, plus unknown 2016 penalties and interest. The Debtor will pay the 2016 penalties and interest within the first 120 days after they have been determined by the Alabama Department of Revenue or the Effective Date, whichever is later. The remaining Priority Tax Claims of the Alabama Department of Revenue will be fully paid at 4% over 60 months at \$225.43 per month, with payments beginning 30 days after the Effective Date.

THIS IS A NON-VOTING CLASS pursuant to 11 U.S.C. § 1123(a)(1).

CLASS THREE (Exeter Finance Corporation): This class consists of the secured claim of Exeter Finance Corporation, which is secured by the Debtor's 2006 BMW M6. The Debtor has been making the full contract payments in the amount of \$548.42 per month since filing his petition; the current amount owed on the claim is approximately \$10,955.98. However, in late March 2018, the Debtor was involved in a wreck with this vehicle, which was declared a total loss by the Debtor's insurer. The Debtor intends to use insurance proceeds payable from the loss of the vehicle to fully satisfy this claim and will apply any excess proceeds toward plan payments or the acquisition of another vehicle. If the proceeds are insufficient to satisfy this claim, the balance will be paid in accordance with Class Six.

THIS CLASS IS IMPAIRED AND THEREFORE IS A VOTING CLASS.

CLASS FOUR (M&T Bank): This class consists of the secured claim of M&T Bank. This claim is secured by a lien on the Debtor's 1981 Pilothouse boat. The Debtor has been making the full contract payments in the amount of \$314.39 per month since filing his petition; the current amount owed on the claim is \$2,967.28. This claim will be treated as fully secured and fully paid

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at 4% over 60 months at \$54.65 per month, with payments beginning 30 days after the Effective Date. Upon completion of payments to M&T Bank, original titles will be returned to the Debtor and the liens will be released.

THIS CLASS IS IMPAIRED AND THEREFORE IS A VOTING CLASS.

CLASS FIVE (Tax Liens): This class consists of claims for unpaid income tax held by governmental agencies that are secured by tax liens, issued pursuant to 26 U.S.C. § 6321 and/or comparable state law, that are attached to the Debtor's equity in his real and personal property (valued at approximately \$75,000.00). The creditors holding claims within Class Five are as follows:

The Internal Revenue Service holds a secured claim in the amount of \$66,816.38 for unpaid income taxes for years 2005 and 2006. This claim will be treated as fully secured with a 4.25% interest rate and will be paid over 60 months at \$1,238.08 per month, with payments to begin 30 days after the Effective Date. Upon completion of payments to the Internal Revenue Service, the tax lien(s) securing its claim in Class Five will be released.

The Alabama Department of Revenue holds secured claims for unpaid income taxes in the amount of \$151.94 for year 2012 and \$6,002.74 for year 2013. These claims will be treated as fully secured with a 4.25% interest rate and will be paid over 60 months at \$114.04 per month, with payments to begin 30 days after the Effective Date. Upon completion of payments to the Alabama Department of Revenue, the tax lien(s) securing its claims in Class Five will be released.

THIS CLASS IS IMPAIRED AND THEREFORE IS A VOTING CLASS.

CLASS SIX (Unsecured and Undersecured Claims): This class consists of claims actually and timely filed pursuant to 11 U.S.C. §§ 501 and 502(b)(9), or treated as filed pursuant to 11 U.S.C. § 1111(a), that are not secured by property of the estate, or that represent the difference between the overall secured claim and the value of the collateral securing that claim. The claims that comprise Class Six total \$393,856.59.

This class will be fully paid over a period of 120 months, with payments of \$1,485.57 per month for the first 60 months and \$5,078.68 per month for the last 60 months. Payments will begin 30 days after the Effective Date and will be divided pro rata among the holders of claims comprising Class Six.

THIS CLASS IS IMPAIRED AND THEREFORE IS A VOTING CLASS.

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### **C. Income/Expense Analysis**

Chapter 11 debtors are required to file monthly financial reports and copies of their bank statements. The bank statements are available only to the Court and Bankruptcy Administrator.

Since converting to Chapter 11, the Debtor has filed nine monthly financial statements. Copies of these reports are available through the PACER (Public Access to Court Electronic Records) system. The income and expense analysis, **Exhibit B**, is a summary of the filed reports. From June 2017 through February 2018, the Debtor reported average revenues of \$13,426.77 and average expenses of \$12,715.66, resulting in an average disposable monthly income of \$711.11.

To bolster income, the Debtor has made personnel changes within his psychiatry practice and will apply greater focus toward collecting outstanding accounts receivable, of which the business has a large amount. He is also writing a book and hopes to supplement his income with royalties. Finally, in 2018 he will start collecting approximately \$3,000.00 per month in Social Security payments.

To lower expenses, the Debtor proposes to modify the terms of his notes to Exeter Finance Corporation and M&T Bank, which would save him an additional \$807.98 per month. The Debtor also paid quarterly fees<sup>4</sup> during this period that averaged \$650.00 per quarter (\$216.67 per month) and substantial professional fees to administer his Chapter 11 case, but after the case is closed the Debtor will no longer incur these quarterly or professional fees. Finally, the Debtor plans to reduce his personal spending.

The Debtor anticipates that these changes will increase his disposable monthly income to \$5,685.00.

A projection of expenses against revenue follows:

<b>Projected Monthly Revenues</b>	
Projected Gross Revenue	\$18,000.00
Estimated Tax Withholding	-\$4,000.00
Monthly Net	\$14,000.00
<b>Projected Monthly Expenses</b>	
Rent	\$1,750.00
Utilities	\$1,000.00

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<sup>4</sup> Debtors in Chapter 11 cases must pay a quarterly fee to the United States Trustee Program for each calendar quarter, or portion thereof, between the date of filing the petition (or conversion to Chapter 11) and the date the Court enters a final decree closing the case, dismisses the case, or converts the case to another chapter in bankruptcy.

Taxes and Insurance on Real Estate	\$45.00
Home Maintenance	\$200.00
HOA Fees	\$0.00
Food & Housekeeping	\$700.00
Education Costs	\$0.00
Clothing & Laundry	\$150.00
Personal Care	\$200.00
Medical/Dental	\$320.00
Transportation (less payments)	\$600.00
Recreation	\$150.00
Political Donations	\$200.00
Insurance	\$2,500.00
Support Payments	\$0.00
Miscellaneous Expenses	\$500.00
Total	\$8,315.00
<b>Plan Payments (First 60 Months)</b>	
Class Two	\$2,186.35
Class Three	Lump Sum
Class Four	\$54.65
Class Five	\$1,352.12
Class Six	\$1,485.57
Total	\$5,078.68
<b>Projected Monthly Revenue</b>	\$14,000.00
<b>Projected Expenses</b>	\$8,315.00
<b>Projected DMI</b>	\$5,685.00
<b>Proposed Plan Payments</b>	\$5,078.68
<b>Remaining</b>	\$606.32

## ARTICLE VI

### LITIGATION

As of the time of the filing of this bankruptcy petition, the Debtor had the following pending lawsuits:

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Edwards v. Gandy, CV-2015-000003 (Conecuh Cnty., Ala.): This case was settled with approval of the Bankruptcy Court (Docs. 91 and 101) and has been dismissed with prejudice.

Analytic Options, P.C. v. Med. Bus. Analytics, CV-2015-900561 (Montgomery Cnty., Ala.): The Debtor is not a plaintiff to this action in his individual capacity, but was individually named as a third-party counterclaim defendant. This claim has been dismissed without prejudice. The counterclaimants have not filed a claim or entered an appearance in the bankruptcy case and are not otherwise entitled under 11 U.S.C. § 1111(a) to be treated as having filed a claim. They will not receive a distribution under the plan.

In addition, the Debtor has objected to the administrative expense status of Claim 10, held by the Internal Revenue Service. The Debtor reserves the right to advance other such objections as may be deemed appropriate within a period of 30 days after the effective date. Creditors and interested parties should be aware that there might be erroneous, duplicate, unliquidated, and improperly classified claims. The Debtor assumes no responsibility for the accuracy, redundancy, or validity of the claims filed and the resulting totals.

## ARTICLE VII

### CLAIMS AGAINST OTHERS

Debtor has not completed his analysis of possible insider claims to determine whether any counter-claims or offsets are applicable. Notwithstanding, Debtor will pursue all legitimate claims from affiliates, professionals, and/or any other person, firm, or entity liable to it under state law, as well as §§ 544, 547, 548, 549, 550, and/or 553 of the Bankruptcy Code.

## ARTICLE VIII

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

The Bankruptcy Code gives the Debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject an executory contract and/or an unexpired lease. If an executory contract or unexpired lease is rejected, the other party to the agreement may file a claim for damages incurred because of the rejection. In the case of rejection of a lease of real property, such damage claims are subject to certain limitations imposed by the Bankruptcy Code. Under the Plan, all of this Debtor's executory contracts and/or leases are rejected, except for any executory contract or unexpired lease (i) which is to be assumed pursuant to the Plan of Reorganization; (ii) which has been assumed pursuant to an Order of the Bankruptcy Court entered prior to the Confirmation Date; (iii) which has been entered into by the Debtor after the petition date in the ordinary course of business or pursuant to an Order of the Bankruptcy Court; (iv) as to which motion for approval of the assumption of such contract is filed and served prior to the Confirmation Date; or (v) which is set forth in a schedule to be attached to the Plan of Reorganization prior to the commencement of the Confirmation Hearing. In addition, all the insurance policies and agreements or instruments related thereto, including, without limitation,

any retrospective premium rating plan relating to such policies, except for those policies (and any agreements, documents, or instruments) set forth in a schedule to be filed prior to the commencement of the Confirmation Hearing, are treated as executory contracts under the Plan and assumed by the Debtor.

Name and Address of Other Parties to Lease	Description of Lease	Assumed	Rejected
Louis Wilson, d/b/a Wilrow, LLC 19343 Scenic Hwy. 98 Fairhope, AL 36532	Lease of apartment for \$1,750.00 per month.	X	
East Bay Mini Storage Facility 28250 U.S. Hwy. 98 Daphne, AL 36526	Executory contract for storage of personal items for \$160.00 per month.	X	
Jones Canvas & Interiors 27011 Canal Road Orange Beach, AL 36561	Executory contract for storage of boats for \$100.00 per month.	X	

## ARTICLE IX

### POSSIBLE TAX CONSEQUENCES

As far as the bankruptcy estate is concerned, the Debtor does not envision any tax consequences resulting from the terms and specifications of this Plan of Reorganization. However, Debtor and counsel for the Debtor assume no responsibility and offer no opinion regarding tax liabilities that may be imposed upon recipients herein in connection with any transfer or distribution made under the Plan of Reorganization as proposed. Recipients are urged to obtain advice from their own tax counsel regarding applicability of state and federal tax laws, as well as the tax impact of a liquidation proceeding if the Debtor filed a plan of liquidation and/or was converted to Chapter 7.

## ARTICLE X

### CONFIRMATION PROCEDURE

In order to confirm the Plan, the Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (a) the Plan has classified claims and interests in a permissible manner; (b) the Plan complies with the technical requirements of Chapter 11 of

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the Code; (c) the Debtor has proposed the Plan in good faith; and (d) the Debtor's disclosures, as required by Chapter 11 of the Code, have been adequate and have included information concerning all payments made or promised by the Debtor in connection with the Plan. The Debtor believes that these conditions will have been met by the date set for the hearing to confirm the Plan and will seek a ruling of the Bankruptcy Court to this effect at that hearing.

The Code also requires that the Plan be accepted by the requisite votes of creditors (except to the extent that "cramdown" is available under § 1129(b) of the Code, "Confirmation Without Acceptance by All Impaired Classes"), that the Plan be feasible (that is, there is a reasonable prospect that the Debtor will be able to perform his obligations under the Plan and continue to operate his business without further financial reorganization), and that the Plan is in the "best interests" of all creditors (that is, that creditors will receive at least as much pursuant to the Plan as they would receive in a Chapter 7 liquidation). To confirm the Plan, the Bankruptcy Court must find that these conditions are met (unless the applicable provisions of § 1129(b) of the Code are employed, in which event the Plan could be confirmed even though a class does not accept the Plan). Thus, even if the creditors of the Debtor accept the Plan by the requisite votes, the Bankruptcy Court must make an independent finding with respect to the Plan's feasibility and whether it is in the best interests of the Debtor's creditors before it may confirm the Plan. These statutory conditions to confirmation are discussed below.

A. Classification of Claims and Interests:

The Code requires that a Plan of Reorganization place each creditor's claim in a class with other claims that are "substantially similar." The Debtor believes that the Plan meets the classification requirements of the Code.

B. Voting:

As a condition to confirmation, the Code requires that each impaired class of claims accept the Plan. The Code defines acceptance of a Plan by a class of claims as acceptance by holders of two-thirds ( $2/3$ ) in dollar amount, and a majority in number of claims, of that class, but for that purpose counts only those who actually vote to accept or to reject the Plan. Holders of claims who fail to vote are not counted as either accepting or rejecting the Plan.

Classes of claims that are not "impaired" under the Plan are deemed to have accepted the Plan. Acceptances of the Plan are being solicited only from those persons who hold claims in an impaired class. A class is "impaired" if the legal, equitable, or contractual rights attaching to the claims of that class are modified, other than by curing defaults and reinstating maturity or by payment in full in cash.

C. Financial Analysis:

The Bankruptcy Code requires that confirmation of a Plan is not likely to be followed by liquidation or the need for further financial reorganization.

The Debtor does not, as a matter of course, publish projections of his anticipated financial position, results of operations, or cash flows. Accordingly, the Debtor does not intend, and disclaims any obligation, to (a) furnish updated projections to Holders of Claims prior to the Effective Date or to any other party after the Effective Date, or (b) otherwise make such updated information publicly available.

The Debtor exclusively prepared the projections provided in the Disclosure Statement. These projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions that may not be realized, and are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the Debtor's control. The Debtor cautions that no representations can be made as to the accuracy of these financial projections or to the reorganized Debtor's ability to achieve the projected results. Some assumptions inevitably will not materialize. Further, events and circumstances occurring subsequent to the date on which these projections were prepared may be different from those assumed or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a material and possibly adverse manner. The projections, therefore, may not be relied upon as a guaranty or other assurance of the actual results that will occur.

**D. Best Interests of Creditors:**

Notwithstanding acceptance of the Plan, as provided for in the Code, by creditors of each class, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan is in the best interests of all classes of creditors impaired by the Plan. The "best interests" test requires that the Bankruptcy Court find that the Plan provides to each member of each impaired class of claims and interests a recovery that has a value at least equal to the value of the distribution that each such creditor would receive if the Debtor was liquidated under Chapter 7 of the Code.

To calculate what members of each impaired class of unsecured creditors would receive if the Debtor was liquidated, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from the Debtor's assets if the Chapter 11 case was converted to a Chapter 7 under the Code and the assets were liquidated by a trustee in bankruptcy (the "Liquidated Value"). The Liquidated Value would consist of the net proceeds from the disposition of the assets of the Debtor, augmented by the cash held by the Debtor and recoveries on actions against third parties.

The Liquidated Value available to general creditors would be reduced by (a) the claims of secured creditors to the extent of the value of their collateral, and (b) by the costs and expenses of the liquidation, as well as other administrative expenses of the Debtor's estate. The Debtor's costs of liquidation under Chapter 7 would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee; disposition expenses; all unpaid expenses incurred by the Debtor during the Chapter 11 reorganization proceedings (such as compensation for attorneys, financial advisors, and

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accountants) for which compensation is allowed in the Chapter 7 proceeding; litigation costs; and claims arising from the operation of the Debtor during the pendency of the Chapter 11 reorganization and Chapter 7 liquidation proceedings. The liquidation itself would trigger certain priority claims and would accelerate other priority payments that would otherwise be payable in the ordinary course of business. These priority claims would be paid in full out of the liquidation proceeds before the balance would be made available to pay general claims.

It is not in the best interests of creditors in this case to force a liquidation. Revisiting the Debtor's assets and liabilities, each creditor must consider the following:

- 1.) The Debtor has no equity in any of his property, as all of it is subject to tax liens and other security interests.
- 2.) The related companies have limited liquidation values or there may be corporate transfer restrictions.

Accordingly, creditors should pay close attention to the evaluation of assets and liabilities, remembering an additional layer of administrative expenses automatically attach to Chapter 7 liquidation. Besides a possible five (5%) percent commission to the elected and/or appointed trustee, other costs, such as professional fees (lawyers, certified public accountants, appraisers, liquidators), taxes, notice fees, and expenses incurred during the liquidating process all diminish any dividend to the expectant claimant. Also, regarding order of payment to unsecured creditors, administrative fees and expenses of the Chapter 7 would be paid first, administrative expenses of the failed Chapter 11 would be paid second, priority unsecured claims (wages, employee benefits, and pre-petition governmental taxes) would be paid third, and, finally, the general unsecured creditors, whether they be lessor-rejected damage claims, trade creditors, or ordinary debt, would be paid last, pro rata if there are insufficient funds. Due to the amount of tax liens and priority taxes in the Debtor's case, general unsecured creditors would likely receive no distribution in a Chapter 7 liquidation.

Furthermore, no dividends would be awarded until all assets were liquidated, including causes of action precipitated or continued by the trustee. One year to three years is not an unreasonable period for a trustee to hold a proceeding open from the date of his or her appointment before filing a final account. In this particular case, it is not unreasonable to suggest that a liquidation, with attendant professional fees (attorneys, surveyors, appraisers, etc.) and commissions, could take up to three years.

The Debtor has provided a liquidation analysis, **Exhibit C**. Any payment made available to unsecured creditors will be greater, and timelier, than the amount available through liquidation by a Chapter 7 trustee. It is important that estate creditors refer to Article XII (B) for considering the liquidation analysis offered by the creditor.

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## ARTICLE XI

### ALTERNATIVES TO CONFIRMATION OF PLAN

If the Plan, as originally filed and/or modified, is not confirmed and consummated, the Proponent/Debtor's alternatives include (i) the preparation and presentation of an alternative plan or plans of reorganization, including that of a Chapter 11 liquidation, (ii) liquidation under Chapter 7 of the Bankruptcy Code, or (iii) dismissal of the Chapter 11 case.

#### A. Alternative Plan of Reorganization

If the present Plan of Reorganization or its alternative is not confirmed, even after amendments or modifications, Debtor may liquidate all his assets to the best of his ability and disburse the cash as an orderly liquidation plan. If, after a certain length of time, no viable bidders or purchasers appear, Debtor will move to auction all his property and assets, with the permission and consent of any applicable secured claim holders. For those assets that are not sold, Debtor will offer to transfer all rights, title, and interest he may have in and to any of his property, subject to the security interest, for a fair and reasonable value to the secured claimant as possessor of the security interest. Once all assets have been disposed of and secured claims satisfied to the value of the security interest, Debtor will then proceed to distribute the unencumbered collected funds to Allowed Claims by Class: first to administrative expense claimants, then to priority unsecured creditors, and lastly to general unsecured creditors.

AGAIN, DEBTOR BELIEVES AND ASSERTS THE PROPOSED PLAN OF REORGANIZATION, NOT THAT OF LIQUIDATION, EITHER BY CHAPTER 11 OR CHAPTER 7, WOULD BE MORE BENEFICIAL TO ALL THE CREDITORS OF THIS BANKRUPTCY PROCEEDING AND THIS DEBTOR. A VOTE TO ACCEPT DEBTOR'S PLAN OF REORGANIZATION IS A VOTE TO ALLOW THE DEBTOR TO EMERGE SUCCESSFULLY FROM THESE BANKRUPTCY PROCEEDINGS AND TO PERMIT THE ALLOWED CLAIMANTS TO REALIZE A RECOVERY GREATER THAN THAT WHICH COULD BE AFFORDED UNDER EITHER A CHAPTER 11 OR CHAPTER 7 LIQUIDATION.

#### B. Liquidation under Chapter 7

If no Chapter 11 Plan can be confirmed, the Chapter 11 proceeding may be converted to a case under Chapter 7 of the Bankruptcy Code, wherein a panel trustee would initially be appointed as interim trustee and ultimately, at the first Chapter 7 meeting of creditors, appointed to administer the assets of the Debtor. A discussion of the effect of a Chapter 7 liquidation on the recovery to holders of Allowed Claims and equity interests has been previously articulated. Debtor believes and asserts that liquidation under Chapter 7 would generate no distribution to unsecured creditors (see **Exhibit C**).

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CATEGORICALLY, CHAPTER 11 CONSIDERATIONS FAR OUTWEIGH ANY PERCEIVED BENEFITS THAT COULD BE DERIVED FROM A CONVERSION TO CHAPTER 7.

### **C. Dismissal of the Chapter 11 Case**

If a Chapter 11 Plan cannot be confirmed, the Chapter 11 proceeding may be dismissed, at which point creditors would be obliged to undertake their own collection efforts and applicable statutes of limitation would resume running.

## **ARTICLE XII**

### **MISCELLANEOUS PROVISIONS**

#### **A. Retention of Jurisdiction**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Case after the Effective Date as is legally permissible, including jurisdiction to:

- (1) allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;
- (2) grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Confirmation Date;
- (3) resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtor is a party, or with respect to which the Debtor may be liable, and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;
- (4) ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and resolve any disputes concerning any distributions contemplated in or relating to the Plan;
- (5) decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications involving the Debtor that may be pending on the Effective Date;
- (6) enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

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(7) resolve any cases, controversies, lawsuits, or disputes that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, or any Person's or Entity's obligations incurred in connection with the Plan;

(8) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with Consummation or enforcement of the Plan, except as otherwise provided herein;

(9) resolve any cases, controversies, suits, or disputes with respect to the releases, injunction, and other provisions contained in the Plan, and enter such orders as may be necessary or appropriate to implement such releases, injunction, and other provisions;

(10) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(11) determine any other matters that may arise in connection with, or relate to, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement; and,

(12) enter an order or final decree concluding the Chapter 11 Case.

### **B. Exemption from Transfer Taxes**

Pursuant to § 1146(c) of the Bankruptcy Code, the issuances, transfer, or exchange of notes of equities or securities under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sub-lease or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements or agreements of consolidations, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

### **C. Payment of Fees and Expenses of Professional Persons**

After the Confirmation Date, Debtor will, in the ordinary course of business and without the necessity of approval by the Bankruptcy Court, pay the reasonable post-Confirmation Date fees and expenses of the professional persons employed by Debtor related to the implementation and confirmation of the Plan. No such fees and expenses will be paid, however, except upon receipt by the Debtor of a written invoice from the professional person, seeking a fee and expense reimbursement.

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## **D. Committees**

The appointment of all committees, if any, will automatically terminate on the Effective Date.

## **E. Disputed Claims**

The Debtor has not objected to claims at this point but reserves the right to advance said objections at a later date.

## **F. Distributions, Delivery, Unclaimed Funds**

### 1.) Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made at the address of the Holder of such Claim as indicated on records of the Debtor or the proof of claim filed of record.

Except as otherwise provided by the Plan or the Bankruptcy Code, distributions shall be made in accordance with the provisions of the applicable indenture, participation agreement, loan agreement, or analogous instrument or agreement, if any, and distributions will be made to any Holders of record as of the Distribution Date.

### 2.) Undeliverable Distributions

- a. Holding of Undeliverable Distributions. It is the responsibility of the Holders of Allowed Claims to keep the Debtor apprised of their current mailing addresses. If any Allowed Claim Holder's distribution is returned to the Reorganized Debtor as undeliverable, no further distributions shall be made to such Holder unless and until the Reorganized Debtor is notified, in writing, of such Holder's then-current address, such that the distribution becomes deliverable. Undeliverable distributions shall remain in the possession of the Reorganized Debtor pursuant to the Plan until such time as a distribution becomes deliverable. Undeliverable payments shall not be entitled to any interest, dividends, or other accruals of any kind.
- b. Failure to Claim Undeliverable Distributions. To ensure that all Holders of Allowed Claims receive their allocated distributions, the Reorganized Debtor may file a listing of Holders of undeliverable distributions with the Bankruptcy Court. Any Holder of an Allowed Claim that does not assert a Claim pursuant to the Plan for an undeliverable distribution within five years after the date the Claim holder's distribution is returned as undeliverable, or 90 days after the date of the final distribution under the Plan, whichever occurs earlier, shall have his, her, or its Claim for such undeliverable distribution discharged and shall be forever barred from asserting any such Claim against the Reorganized Debtor or its property. In such cases, any payments held for distribution because of such Claims shall be property of the Reorganized Debtor, free of any

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restrictions thereon. Nothing contained in the Plan shall require the Reorganized Debtor to attempt to locate any Holder of an Allowed Claim.

### 3.) Unclaimed Funds

If the Holder of any Allowed Claim fails to negotiate his, her, or its distribution check within 90 days after the date the check is mailed, the Debtor may stop payment on said check and may, in his discretion, mail no further distribution checks to that Claim Holder until the Claim Holder notifies the Debtor and provides an updated, valid mailing address. If the Claim Holder does not notify the Debtor and provide an updated, valid mailing address within five years after the unnegotiated check was mailed or 90 days after the final distribution under the Plan, whichever occurs earlier, the Claim Holder shall have his, her, or its Claim discharged and shall be forever barred from asserting any such claim against the Reorganized Debtor or its property. In such cases, any payments held for distribution because of such Claims shall be the property of the Reorganized Debtor, free of any restrictions thereon.

### **G. Timing and Calculation of Amounts to be Distributed**

Beginning on the Effective Date, the Reorganized Debtor, in its sole discretion and as frequently, soon, reasonably practicable, and efficiently under the circumstances, shall make the distributions to Holders of Allowed Claims in accordance with the Plan.

### **H. Fractional Distributions**

No cash payment of less than TEN AND NO/100 DOLLARS (\$10.00) shall be made by the Reorganized Debtor because of any Allowed Claim, unless a specific request therefore is made, in writing, by the Holder of such Claim. In the event a Holder of an Allowed Claim is entitled to distribution that is not a whole dollar number, the actual payment or issuance made will reflect a rounding of such fractional portion of such distribution down or up to the nearest whole dollar, but in any case not to result in a distribution that exceeds any allowable total distribution authorized by the Plan.

### **I. Satisfaction of Liens**

Upon payment of the amounts specified in this plan, the respective secured creditors shall mark their claims as satisfied and file a release their respective liens.

### **J. Setoffs**

Except as otherwise provided in the Plan, the Reorganized Debtor may, pursuant to §§ 502(d) or 553 of the Bankruptcy Code, or applicable non-bankruptcy law, offset against any Allowed Claim, and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the Claims, rights, and Causes of

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Action of any nature that the Debtor or Reorganized Debtor may hold against the Holder of such Allowed Claim.

### **K. Payment of Statutory Fees**

All fees payable pursuant to 28 U.S.C. § 1930, as agreed between the Debtor and the Bankruptcy Administrator or determined by the Bankruptcy Court at the hearing pursuant to § 1128 of the Bankruptcy Code, shall be paid on the Effective Date or as soon thereafter as reasonably possible.

### **L. Discharge of Debtor**

Except as otherwise provided in the Plan, on the Effective Date: (1) the rights afforded in the Plan and the treatment of all Claims and Equity Interests therein, shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor and the Debtor in Possession, or any of his assets, property, or Estate; (2) the Plan shall bind all Holders of Claims and Equity Interests, and all Claims against, and Equity Interests in, the Debtor and Debtor-in-Possession shall be satisfied, discharged, and released in full, and the Debtor's liability with respect thereto shall be extinguished completely, including, without limitation, any liability of the kind specified under § 502(g) of the Bankruptcy Code; and (3) all Persons and Entities shall be precluded from asserting against the Debtor, the Debtor-in-Possession, the Estate, and the Reorganized Debtor, their successors and assigns, their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Debtor expects to complete financial management education and request an order of final discharge in five years.

### **M. Post-Confirmation Injunction**

Except as set forth herein, on or after the Confirmation Date, every holder of a claim or interest against the Debtor, other than the United States of America, shall be precluded and permanently enjoined from asserting against the Debtor, or his agents, attorneys, or representatives, any further claim based on any document, instrument, judgment, award, order, act, omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date.

### **N. Revocation of Plan**

The Debtor reserves the right, at any time prior to the entry of the Confirmation Order, to revoke and withdraw the Plan.

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## **O. Successors and Assigns**

The rights, benefits, and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person or Entity.

## **P. Reservation of Rights**

Except as expressly set forth herein, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. The filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the Debtor or Debtor-in-Possession with respect to the Plan shall not be, or shall not be deemed to be, an admission or waiver of any rights of the Debtor or Debtor-in-Possession with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

## **Q. Implementation**

The Debtor, the Reorganized Debtor, all Holders of Claims receiving distributions under the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

## **R. Amendments or Modification of the Plan; Severability**

Proponent/Debtor may alter, amend, or modify the treatment of Claims provided for under the Plan, provided, however, that the holders of such Claims agree or consent to any such alteration, amendment, or modification. If the Bankruptcy Court determines, prior to the Confirmation Date, that any provision in the Plan is invalid, void, or unenforceable, such provision will be invalid, void, or unenforceable with respect to the holder or holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void, or unenforceable. The invalidity, voidness, or unenforceability of any such provision will in no way limit or affect the enforceability and operative effect of any other provisions of the Plan.

## **S. Binding Effect**

The Plan, as amended or modified, upon becoming final and non-appealable, will be binding upon, and inure to the benefit of, the Debtor, the holders of Claims and Equity Interests, and their respective successors and assigns.

## **T. Service of Documents**

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtor shall be sent by first class U. S. mail, postage prepaid to:

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James Henry Edwards  
7956 Vaughn Road  
Montgomery, AL 36116

With copies to:

Wm. Wesley Causby  
MEMORY & DAY  
P.O. Box 4054  
Montgomery, AL 36103

#### **U. Additional Documents**

On or before the Effective Date, the Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary, or appropriate, to effect and further evidence the terms and conditions of the Plan.

### **ARTICLE XIII**

#### **RECOMMENDATION**

In the opinion of the Debtor, confirmation of the Plan is preferable to the alternatives described herein because it provides for a greater distribution to the Holder of Claims and Interests than would otherwise result in liquidation under Chapter 7 of the Bankruptcy Code. Accordingly, the Debtor recommends that Holders of Claims and Equity Interests entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.

Respectfully submitted April 6, 2018.

/s/ James Henry Edwards

James Henry Edwards  
Debtor and Debtor-in-Possession

MEMORY & DAY

By: /s/ Wm. Wesley Causby

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Wm. Wesley Causby  
ASB-9822-G93R

Von G. Memory  
ASB-8137-O71V

This Document Prepared by:

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#### ARTICLE XIV

#### EXHIBIT LIST

- Exhibit A**     Ballot (Proposed with initial submission; final will be mailed to creditors and interested parties)
- Exhibit B**     Income and Expense Analysis
- Exhibit C**     Liquidation Analysis