

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re:	:	
	:	BK No.
Debtor(s)	:	Chapter
	:	

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**COMBINED PLAN OF REORGANIZATION AND DISCLOSURE
STATEMENT FOR SMALL BUSINESS DEBTOR DATED:**

I. INTRODUCTION

A. General

This is the Combined Plan of Reorganization and Disclosure Statement for a Small Business Debtor (the "Plan and Disclosure Statement") for _____

(the "Debtor"). Portions of the Plan and Disclosure Statement which refer solely to the Plan of Reorganization will be referred to as the "Plan". This Plan and Disclosure Statement contains a description of (1) the Debtor, (2) the operation of its business, and (3) its expectations for future operations. It also discusses the valuation of the Debtor's assets and alternatives to the Plan. Also included is the Debtor's Plan.

On _____ (the "Petition Date") the Debtor filed a voluntary petition for relief under Title 11, United States Code, known as the Bankruptcy Code (the "Code"). The chapter 11 case is pending in the United States Bankruptcy Court for the District of Rhode Island (the "Court"). During the case, the Debtor has maintained its _____ business as a Debtor-in-Possession under Sections 1107 and 1108 of the Code.

Pursuant to § 1125 of the Code, this Plan and Disclosure Statement is being sent to all holders of claims against the Debtor so that the Debtor may solicit votes for the Plan and creditors may be provided with information concerning the Plan, the Debtor and the prospect of future operations. All references herein to the Plan and the Disclosure Statement are as it may be amended from time to time.

[A summary description of the Plan should be stated here.]

IF CONFIRMED, THE PLAN IS A LEGALLY BINDING ARRANGEMENT AND SHOULD BE READ IN ITS ENTIRETY. ACCORDINGLY, SOLICITED PARTIES MAY WISH TO CONSULT WITH THEIR ATTORNEYS REGARDING THE CONTENTS OF THE PLAN AND DISCLOSURE STATEMENT.

B. Attachments

Accompanying this Combined Plan and Disclosure Statement is a copy of a financial forecast for the Debtor, annexed as Exhibit A.

[Additional attachments, if any, should be described here.]

II. THE PLAN

A. Payment of Administrative Claims

Administrative Claims will be paid in cash, in full, on the later of the effective date or the date they are allowed by an Order of the Bankruptcy Court. Ordinary trade debt incurred by the Debtor in the course of the chapter 11 case will be paid on an ongoing basis in accordance with the ordinary business practices and terms between the Debtor and its trade creditors. The payments contemplated by the Plan will be conclusively deemed to constitute full satisfaction of Allowed Administrative Claims.

Administrative Claims include any post-petition fees and expenses allowed to Professionals employed upon Court authority to render services to the Debtor during the course of the chapter 11 cases.

B. Payment of Tax Claims

Priority Claims, as scheduled or as filed and allowed by the Court, of whatever kind or nature will be paid in monthly installments with interest over a _____ year period from the Petition Date. As of the Petition Date, the Rhode Island Division of Taxation was owed approximately \$_____ and the Internal Revenue Service was owed approximately \$_____.

[Additional priority claims and their treatment should be described here. For example, claim of the Department of Unemployment Assistance.]

C. Designation and Payment of Classes of Claims

[A list of classes and their treatment should be stated here.]

D. Treatment of Executory Contracts and Unexpired Leases

Please check one:

The Plan does not propose to reject any executory agreements.

The executory contracts shown on Exhibit B are hereby rejected.

The Debtor may file a motion or amend this Plan to reject other executory contracts and leases prior to confirmation. Subject to the requirements of § 365 of the Bankruptcy Code, all executory contracts or unexpired leases of the Debtor that are not rejected, have not been rejected by order of the Court or are not the subject of a motion to reject pending 90 days after the confirmation date will be deemed assumed. If any party to an executory contract or unexpired lease which is deemed assumed pursuant to the Plan objects to such assumption, the Court may conduct a hearing on such objections on any date which is either mutually agreeable to the parties or fixed by the Court. All payments to cure defaults that may be required by § 365(b)(1) of the Bankruptcy Code will be made by the Debtor. In the event of a dispute regarding the amount of any such payments or the ability of the Debtor to provide for adequate assurance of future performance, the Debtor will make any payments required by § 365(b)(1) of the Bankruptcy Code after the entry of a Final Order resolving such dispute.

All Proofs of Claim with respect to claims arising from the rejection of executory contracts or unexpired leases must be filed with the Court within thirty (30) days from and after the date of entry of an order of the Court approving such rejection or such claims will be barred. A creditor whose claims arise from rejection of executory contracts and unexpired leases will be treated as an unsecured creditor.

E. Means for Implementation of the Plan

On confirmation, all property of the Debtor, tangible and intangible, including, without limitation, licenses, furniture, fixtures and equipment, will revert, free and clear of all claims and interests except as provided herein, to the Debtor. The Debtor will pay the claims described above from its operations post-confirmation. The Debtor estimates that on the effective date the funds to be distributed are approximately \$_____ to administrative claimants. The Debtor expects to have sufficient cash on hand to make the payments required on the effective date.

All quarterly disbursement fees, arising under 23 U.S.C. § 1930 (“Quarterly Fees”), accrued prior to confirmation shall be paid in full, on or before the date of confirmation of the Debtor’s plan, by the Debtor or any successor to the Debtor. All Quarterly Fees which accrue post-confirmation shall be paid in full on a timely basis by the Debtor or any successor to the Debtor prior to the Debtor’s case being closed, converted or dismissed.

[Additional provisions, if any, for implementing the Plan can be inserted here.]

F. Provision for Disputed Claims:

The Debtor may object to the allowance of any claims within 90 days of the effective date by filing an objection with the Bankruptcy Court and serving a copy thereof on the holder of the claim in which event the claim objected to will be treated as a Disputed Claim under the Plan. If and when a Disputed Claim is finally resolved by allowance of the claim in whole or in part, the Debtor will make any payments in respect of such Allowed Claim in accordance with the Plan.

III. INFORMATION PERTAINING TO THE DEBTOR

A. Description of the Debtor's Business

[Describe the Debtor's business here.]

B. Background Regarding the Debtor

[The Debtor's background can be stated here.]

C. General Information Regarding the Debtor's Market and Sales

[The Debtor's market and sales should be described here.]

D. Officers, Directors and Shareholders

[You must describe the officers, directors and shareholders here together with their salaries going forward.]

E. Problems and Corrections

[You should describe what problems compelled the filing of the chapter 11 and how the Debtor has cured those problems for its successful rehabilitation.]

F. Other Issues and Matters

[Other issues and matters can be described here.]

G. Risks

[What are the risks to completion of the Plan? Describe them here.]

IV. VOTING AND CONFIRMATION

A. General Requirements

In order to confirm a Plan, the Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that: (1) the Plan has classified Claims in a permissible manner; (2) the Plan complies with the technical requirements of Chapter 11 of the Code; (3) the proponent of the Plan has proposed the Plan in good faith; (4) the disclosures concerning the Plan 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; (5) the Plan has been accepted by the requisite vote of creditors, except, as explained below, to the extent that “cramdown” is available under § 1129(b) of the Code; (6) the Plan is “feasible” (that is, there is a reasonable prospect that the Debtor will be able to perform its obligations under the Plan and continue to operate its business without further financial reorganization, except if the Plan contemplates a liquidation of the Debtor’s assets); and (7) the Plan is in the “best interests” of all creditors (that is, that creditors will receive at least as much under the Plan as they would receive in a chapter 7 liquidation). To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met. Thus, even if the creditors of the Debtor accept the Plan by the requisite number of votes, the Bankruptcy Court must make independent findings respecting the Plan’s feasibility and whether it is in the best interests of the Debtor’s creditors before it may confirm the Plan. The Debtor believes that the Plan fulfills all of the statutory conditions of § 1129 of the Code. The statutory conditions to confirmation are more fully discussed immediately below.

B. Classification of Claims and Interests

The Code requires that a plan of reorganization place each creditor’s claim in a class with other claims which are “substantially similar.” The Debtor believes that the Plan meets the classification requirements of the Code.

C. 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 in dollar amount and a majority in number of claims of that class, but for that purpose the only ballots counted are those of the creditors who are allowed to vote and who actually vote to accept or to reject the Plan. Persons who are considered “insiders,” as that term is defined in § 101 of the Code, may vote, but its vote is not counted in determining acceptance of 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 Allowed Secured and Unsecured Claims that are impaired under the Plan. An Allowed

Claim is “impaired” if the legal, equitable, or contractual rights attaching to the Allowed Claims of the class are modified, other than by curing defaults and reinstating maturity or by payment in full in cash. A claim to which an objection is filed is not an Allowed Claim. However, the Court may allow such a claim for purposes of voting on the Plan. If you have not received an objection to your claim prior to confirmation of the plan and you have received a ballot for purposes of voting on the Plan, then most likely your claim is an Allowed Claim. If you have a question, you should consult your own attorney.

D. Best Interests of Creditors

Notwithstanding acceptance of the Plan 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 a recovery which has a value at least equal to the value of the distribution which each such creditor would receive if the Debtor was liquidated under chapter 7 of the Code. Please see the discussion of liquidation value below.

1. Confirmation without Acceptance by All Impaired Classes

Even if a plan is not accepted by all impaired classes, it may still be confirmed. The Code contains provisions for confirmation of a plan where at least one impaired class of claims has accepted it. These “cramdown” provisions are set forth in § 1129(b) of the Code.

A plan of reorganization may be confirmed under the cram-down provisions if, in addition to satisfying the usual requirements of § 1129 of the Code, it (i) “does not discriminate unfairly” and (ii) “is fair and equitable,” with respect to each class of claims that is impaired under, and has not accepted, the plan. As used by the Code, the phrases “discriminate unfairly” and “fair and equitable” have narrow and specific meanings unique to bankruptcy law.

The requirement that a plan of reorganization not “discriminate unfairly” means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtor believes that its Plan does not “discriminate unfairly” with respect to any class of Claims.

The “fair and equitable” standard differs according to the type of claim to which it is applied. In the case of secured creditors, the standard is met if the secured creditor retains its lien and is paid the present value of its interest in the property which secures the secured creditor’s claim. With respect to unsecured creditors, the standard is met if the unsecured creditor receives payment in the full amount of its claim or, in the event that it receives less than the full amount of its claim, no junior class receives or retains any interest in property of the Debtor. The standard as applicable to unsecured creditors is also known as the “absolute priority rule.”

V. LIQUIDATION VALUATION

To calculate what creditors would receive if the Debtor was to be 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 case under the Code and the assets were liquidated by a trustee in bankruptcy (the "Liquidation Value"). The Liquidation Value would consist of the net proceeds from the disposition of the assets of the Debtor augmented by the cash held by the Debtor.

The Liquidation Value available to general creditors would be reduced by (a) the claims of secured creditors to the extent of the value of its collateral, and (b) by the costs and expenses of the liquidation, as well as other administrative expenses of the Debtor's estates. The Debtor's costs of liquidation under chapter 7 would include the compensation of trustees, as well as of counsel and of other professionals retained by the trustees; disposition expenses; all unpaid expenses incurred by the Debtor during the chapter 11 case (such as compensation for attorneys) which are allowed in the chapter 7 proceeding; litigation costs; and claims arising from the operation of the Debtor's business during the pendency of the chapter 11 reorganization and chapter 7 liquidation cases. Once the percentage recoveries in liquidation of secured creditors, priority claimants, general creditors and equity security holders are ascertained, the value of the distribution available out of the Liquidation Value is compared with the value of the property offered to each of the classes of Claims under the Plan to determine if the Plan is in the best interests of each creditor and equity security holder.

The liquidation valuation of a business is often a contested issue in a chapter 11 case. Two methods of valuation widely used are the so-called "auction" method and the "going concern" method. Using the auction approach, assets tend to be valued as though they were sold at a public auction and not in use at the time of the sale. The auction method is widely used with tangible personal property such as trucks, trailers and tractors, assets which you can touch and feel and which are easily valued as a function of the initial purchase price and subsequent depreciation from use. The latter approach, the going concern method, tends to value assets based upon its contribution to earnings. The going concern method tends to be used with assets that tend not to suffer a decline from use such as accounts of a utility, maintenance contracts and the like.

[Other information regarding liquidation can be described here.]

The following table of estimated amounts suggests a likely liquidation scenario for the Debtor.

Source and Application of Funds	Amount	Assumptions
Proceeds from collection of accounts receivable and cash on hand		
Proceeds from liquidation of inventory and furniture, fixtures and equipment on cessation of		
Proceeds from other assets		
Total		
Payment of Secured Creditors		
Chapter 7 Trustee fees and expenses		Estimated costs of trustee commission and counsel fees.
Chapter 11 expenses		Includes unpaid monthly operating expenses and professional fees and expenses.
Priority debt		
Net available for unsecured creditors		

The Debtor estimates that its unsecured creditors would receive a dividend of _____% in liquidation. The Plan provides a dividend of at least _____%. The Debtor believes that the Plan is in the best interests of all creditors. Thus, a conversion to Chapter 7 with the additional costs noted above would provide less of a return to the creditors.

VI. FEDERAL INCOME TAX CONSEQUENCES

Implementation of the Plan may result in federal income tax consequences to holders of Allowed Claims. Tax consequences to a particular creditor may depend on the particular circumstances or facts regarding the claim of the creditor. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure (the "Tax Disclosure") does not constitute and is not intended to constitute either a tax opinion or tax advice to any person. Rather, the Tax Disclosure is provided for informational purposes only.

Because the Debtor intends to continue its existence and business operations, it will receive a discharge with respect to its outstanding indebtedness. Actual debt cancellation in excess of the fair market value of the consideration -- stock, cash or other property -- paid in respect of such debt will hereinafter be referred to as a "Debt Discharge Amount."

In general, the Internal Revenue Code (IRC) provides that a taxpayer who realizes a cancellation or discharge of indebtedness must include the Debt Discharge Amount in its gross income in the taxable year of discharge. The Debt Discharge Amounts may arise with respect to Creditors who will receive, in partial satisfaction of their Claims, including any accrued interest, consideration consisting of or including cash. The Debtor's Debt Discharge Amount may be increased to the extent that unsecured Creditors holding unscheduled claims fail to timely file a Proof of Claim and have their Claims discharged on the Confirmation Date pursuant to § 1141 of the Bankruptcy Code. No income from the discharge of indebtedness is realized to the extent that payment of the liability being discharged would have given rise to a deduction.

If a taxpayer is in a case under the Bankruptcy Code and a cancellation of indebtedness occurs pursuant to a confirmed plan, however, such Debt Discharge Amount is specifically excluded from gross income (the "Bankruptcy Exception"). The Debtor intends to take the position that the Bankruptcy Exception applies to it. Accordingly, the Debtor believes it will not be required to include in income any Debt Discharge Amount as a result of Plan transactions.

Section 108(b) of the IRC, however, requires certain tax attributes of the Debtor to be reduced by the Debt Discharge Amount excluded from income. Tax attributes are reduced in the following order of priority: net operating losses and net operating loss carry-overs; general business credits; minimum tax credits; capital loss carry-overs; basis of property of the taxpayer; passive activity loss or credit carry-overs; and foreign tax credit carry-overs. Tax attributes are generally reduced by one dollar for each dollar excluded from gross income, except that general tax credits, minimum tax credits, and foreign tax credits are reduced by 33.3 cents for each dollar excluded from gross income. An election can be made to alter the order of priority of attribute reduction by first applying the reduction against depreciable property held by the taxpayer in an amount not to exceed the aggregate adjusted basis of such property. The Debtor does not presently intend to make such election. If this decision were to change, the deadline for making such election is the due date (including extensions) of the Debtor's federal income tax return for the taxable year in which such debt is discharged pursuant to the Plan.

The federal tax consequences of the Plan to a hypothetical investor typical of the holders of claims or interests in this case depend to a large degree on the accounting method adopted by that hypothetical investor. A "hypothetical investor" in this case is defined as a general unsecured creditor. In accordance with federal tax law, a holder of such a claim that uses the accrual method and who has posted its original sale to the Debtor as income at the time of the product sold or the service provided hypothetically should adjust any net operating loss to reflect the dividend paid by the Debtor under the Plan provided that holder previously deducted the liability to the Debtor as a "bad debt" for federal income tax purposes. Should that holder lack a net operating loss, then in accordance with federal income tax provisions, the holder

should treat the dividend paid as ordinary income, again provided the holder previously deducted the liability to the Debtor as a “bad debt” for federal income tax purposes. If the accrual basis holder of the claim did not deduct the liability as a “bad debt” for federal income tax purposes, then the dividend paid by the Debtor has no current income tax implication. A holder of a claim that uses a cash method of accounting would, in accordance with federal income tax laws, treat the dividend as income at the time of receipt.

THE DEBTOR MAKES NO REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO ANY CREDITOR. EACH PARTY AFFECTED BY THE PLAN SHOULD CONSULT HER, HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.

VII. FEASIBILITY

The Bankruptcy Code requires as a condition to confirmation that the Bankruptcy Court find that liquidation of the Debtor or the need for further reorganization is not likely to follow after confirmation. The Debtor depends on recurring monthly revenue from its business and it has prepared financial projections and related schedules which are attached hereto as Exhibit A. Those projections show that the Debtor is capable of operating well into the future and generating sufficient funds to perform its obligations in the Plan and continuing without the need for further financial reorganization.

VIII. DISCLAIMERS

THE CONTENT OF THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS PROVIDING ADEQUATE INFORMATION TO CREDITORS SO THAT THEY MAY HAVE SUFFICIENT INFORMATION TO VOTE ON THE PLAN. NO REPRESENTATIONS CONCERNING THE DEBTOR, INCLUDING THOSE RELATING TO ITS FUTURE BUSINESS OPERATIONS, OR THE VALUE OF ITS ASSETS, ANY PROPERTY, AND CREDITORS' CLAIMS, INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE OR WITHOUT OMISSIONS.

THE BANKRUPTCY COURT'S APPROVAL OF THIS PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION FOR OR AGAINST THE PLAN.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED

CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON HOLDERS OF CLAIMS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THIS DATE UNLESS ANOTHER TIME IS SPECIFIED, AND NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THIS DISCLOSURE STATEMENT WILL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SINCE THE DATE OF THE DISCLOSURE STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WAS COMPILED.

IX. EFFECT OF THE ORDER CONFIRMING THE PLAN

To understand the full effect of an order confirming the Plan you should read § 1141 of the Code. The following is a summary of that section.

A. The provisions of the confirmed Plan bind the Debtor, any entity issuing securities under the Plan, any entity acquiring property under the Plan, and any creditor, equity security holder, or general partner in the Debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the Plan and whether or not such creditor, equity security holder, or general partner has accepted the Plan.

B. Except as otherwise provided in the Plan or the order confirming the Plan, the confirmation of the Plan vests all of the property of the estate in the Debtor.

C. Except as otherwise provided in the Plan or in the order confirming the Plan, after confirmation of the Plan, the property dealt with by the Plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the Debtor.

D. Except as otherwise provided in the Plan, or in the order confirming the Plan, the confirmation of the Plan discharges the Debtor from any debt that arose before the date of such confirmation. There may be other exceptions set forth in § 1141.

E. The confirmation of the Plan does not discharge a debtor if the Plan provides for the liquidation of all or substantially all of the property of the estate, the Debtor does not engage in business after consummation of the Plan; and the Debtor would be denied a discharge if the case were a case under chapter 7.

X. CONCLUSION

The Bankruptcy Court has determined that this Plan and Disclosure Statement contains information sufficient for holders of Claims to make an informed judgment in exercising their right to vote on the Plan. The Plan is the result of an effort by the Debtor to provide creditors

with a meaningful dividend. An alternative to the Plan is liquidation which will, in all likelihood, reduce significantly the return to creditors on its Allowed Claims. The Debtor believes that the Plan is clearly preferable to liquidation.

A BALLOT IS ENCLOSED WITH THIS DISCLOSURE STATEMENT. YOU SHOULD VOTE TO ACCEPT OR REJECT THE PLAN ON THAT BALLOT AND RETURN IT AS FOLLOWS: BALLOTS SHOULD BE SENT TO:

[Fill in here information as to who gets the ballots.]

By

/s/ _____

Attorney

Address

BBO#

Telephone

Email

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re: :

Debtor(s) :

-----*

BK No.
Chapter

**MOTION TO COMBINE THE HEARING ON THE DEBTOR’S
SMALL BUSINESS PLAN OF REORGANIZATION AND DISCLOSURE
STATEMENT FOR SMALL BUSINESS DEBTOR
WITH THE HEARING ON CONFIRMATION**

To the Honorable _____, Bankruptcy Judge:

Debtor Corporation, Debtor-in-Possession (the “Debtor”) in the above-named case moves the Court to combine the hearing on the Debtor’s Combined Plan of Reorganization and Disclosure Statement for Small Business Debtor and in support hereof respectfully represents:

1. On _____, the Debtor filed its chapter 11 petition herein.
2. On _____, the Debtor filed its Combined Plan of Reorganization and Disclosure Statement for Small Business Debtor.
3. The Debtor has attached hereto as Exhibit A the proposed form of Notice and as Exhibit B the proposed form of Ballot for Creditor Claims.

WHEREFORE, the Debtor prays that the Court (i) schedule a combined hearing on the Combined Plan of Reorganization and Disclosure Statement for Small Business Debtor, (ii) approve the form of notice and form of ballot appended hereto, (iii) otherwise approve the balloting procedures described above, and (iv) grant them such other and further relief as this Court deems just and proper.

By

/s/_____

Attorney
Address
BBO#
Telephone
Email

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re:	:	
	:	BK No.
Debtor(s)	:	Chapter
	:	
	:	

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**BALLOT FOR ACCEPTING OR REJECTING THE COMBINED
PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT
FOR SMALL BUSINESS DEBTOR PROPOSED BY THE DEBTOR**

The Debtor, _____, has filed a **COMBINED PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT FOR SMALL BUSINESS DEBTOR PROPOSED BY THE DEBTOR** dated Plan and Disclosure Statement”). The Disclosure Statement is intended to provide you with information to assist you in deciding how to vote your ballot.

This Ballot is being sent to holders of all claims in all Classes asserted against the Debtor, which claims are classified in the Plan and Disclosure Statement. The holders of such claims are entitled to vote to accept or reject the Plan. The Plan is described in the **COMBINED PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT FOR SMALL BUSINESS DEBTOR PROPOSED BY THE DEBTOR** distributed with this Ballot. The Plan can be confirmed by the Bankruptcy Court and thereby made binding on creditors if accepted by the holders of at least two-thirds in dollar amount and more than one-half in number of the allowed claims in at least one class of unsecured claims voting on the Plan. In the event the requisite acceptances are not obtained, the Bankruptcy Court may nevertheless confirm the Plan if it determines that the Plan accords fair and equitable treatment to rejecting classes and otherwise satisfies the requirements of 11U.S.C. § 1129(b).

To have your vote count, you must complete and return this Ballot prior to the voting deadline set forth below.

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS CAREFULLY COMPLETE, SIGN, AND DATE THIS BALLOT AND RETURN IT BY MAIL OR OVERNIGHT DELIVERY SO THAT IT IS RECEIVED BY 4:30 PM (EASTERN TIME) ON _____, AT THE FOLLOWING ADDRESS:

[Fill in here information as to who gets the ballots.]

Item 1. Vote on Plan. (Please check one.) The undersigned, the holder of a claim in Class ____ in the unpaid amount of \$_____.

ACCEPTS
(Votes **FOR**) the Plan

REJECTS
(Votes **AGAINST**) the Plan

Item 2. Authorization. By return of this Ballot, the undersigned certifies that it is the holder of a claim in Class _____ to which this Ballot pertains (or an authorized signatory therefor) and has full power and authority to vote to accept or reject the Plan. The undersigned further certifies that it has received a copy of the Disclosure Statement (including the appendices and exhibits thereto) and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement. No fees, commissions, or other remuneration will be payable to any person for soliciting votes on the Plan. If your address or contact information has changed, please note the new information below.

Name of Creditor: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Required)

Name of Person signing below: _____

Title/Affiliation with Creditor: _____

Telephone: _____

Signature: _____

Date Completed: ____/____/____

VOTING DEADLINE: YOUR VOTE MUST BE RECEIVED AT THE ADDRESS ON THE FRONT OF THIS BALLOT, PRIOR TO THE VOTING DEADLINE, WHICH IS 4:30 PM (EASTERN) ON _____ OR YOUR VOTE WILL NOT BE COUNTED.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re:	:	
	:	BK No.
Debtor(s)	:	Chapter
	:	

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ORDER AND NOTICE CONDITIONALLY DETERMINING THAT "SMALL BUSINESS PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT" PROVIDES ADEQUATE INFORMATION AND THAT A SEPARATE DISCLOSURE STATEMENT IS NOT NECESSARY, AND SETTING HEARING ON CONFIRMATION AND RELATED MATTERS

1. On _____, 20___, the Debtor filed "Small Business Plan of Reorganization and Disclosure Statement" (docket #_____) which appears to contain adequate information.
2. Section 1125(f) of the Bankruptcy Code allows this Court to "determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary." The Court has conditionally made such a determination in this case.
3. Within 5 days of the entry of this Order the Debtor shall mail the "Small Business Plan of Reorganization and Disclosure Statement," the ballot, and this Order to the United States trustee, creditors, equity holders, and other parties in interest pursuant to Fed. R. Bankr. P. 3017(d) and file a certificate of service. At the earliest time possible, the Debtor shall provide, as appropriate, to a single creditor or all creditors additional information which is reasonably requested.
4. Please take note that the Court will hold a hearing on _____, 20___ at _____ am/pm, on the final approval of the Court's determination that a separate disclosure statement is not necessary and on confirmation of the Plan.
5. Objections to (1) the Court's determination that a separate disclosure statement is not required, and (2) confirmation of the Plan and other related matters are due not later than _____, 20___ at 4:30 PM.
6. Ballots must be submitted to counsel for the debtor as set forth in the Plan so as to be received by _____, 20___ at 4:30 PM.

7. Motions for valuation, termination of the automatic stay, dismissal or conversion to another chapter which are now pending or subsequently filed will be heard at the same time as the combined disclosure and confirmation hearing unless otherwise expressly scheduled by the Court.

Dated: _____, 20__

United States Bankruptcy Judge

**FOR SERVICE ON THE UNITED STATES TRUSTEE, ALL CREDITORS,
EQUITY HOLDERS, AND PARTIES IN INTEREST.**