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<p><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</b></p>			
<p>In re:</p> <p>Progressive Solutions, Inc.,</p> <p>Debtor(s).</p>		<p>CASE NO.: 8:18-bk-14277-SC CHAPTER: 11</p>	
		<p><b>NOTICE OF MOTION FOR:</b> MOTION TO CONFIRM PLAN UNDER 11 U.S.C. § 1191(b); DECLARATION IN SUPPORT; REQUEST FOR JUDICIAL NOTICE</p> <p><b>(Specify name of Motion)</b></p>	
		<p>DATE: 02/20/2020 TIME: 11:00 am COURTROOM: Courtroom 5C, US Bankruptcy Court PLACE: Ronald Reagan Federal Building 411 W. Fourth Street, 5th Floor Santa Ana, CA 92701</p>	

1. TO (*specify name*): All parties in interest:
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 01/30/2020

Lewis R. Landau, Attorney at Law  
Printed name of law firm

/s/ Lewis R. Landau  
Signature

Lewis R. Landau  
Printed name of attorney

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Attorney for Debtor in Possession

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**SANTA ANA DIVISION**

In re  
Progressive Solutions, Inc.,  
Debtor.

Case No.: 8:18-bk-14277 SC  
Chapter 11

**MOTION TO CONFIRM PLAN UNDER  
11 U.S.C. § 1191(b);  
DECLARATION IN SUPPORT;  
REQUEST FOR JUDICIAL NOTICE**

**Plan Confirmation Hearing:**

Date: February 20, 2020  
Time: 11:00 a.m.  
Place: Courtroom 5C; Judge Clarkson  
U.S. Bankruptcy Court  
411 West Fourth Street, 5<sup>th</sup> Floor  
Santa Ana, CA 90270

Progressive Solutions, Inc., (“Debtor” or “PSI”), herein moves to confirm the Debtor’s Plan of Reorganization for Small Business Under Chapter 11 [ECF # 144] (“Plan”) pursuant to 11 U.S.C. § 1191(b) (eff. February 19, 2020), contingent upon the Debtor’s concurrently filed motion to amend its petition to elect applicability of the Small Business Reorganization Act. The Debtor’s motion is contained in the following memorandum of points and authorities as supported by the attached Declaration of Glenn Vodhanel (“Vodhanel Declaration”). Debtor further requests that the Court take judicial notice pursuant to Federal Rules of Evidence 201 of the entire chapter 11 case file in support of Plan confirmation. For all these reasons, Debtor requests that the Court confirm the Plan.

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## TABLE OF CONTENTS

<b>I. INTRODUCTION .....</b>	<b>2</b>
<b>II. THE ELEMENTS NECESSARY FOR PLAN CONFIRMATION ARE PRESENT AND THE COURT SHOULD CONFIRM THE PLAN UNDER 11 U.S.C. § 1191(b).....</b>	<b>4</b>
A. THE PLAN COMPLIES WITH ALL OF THE PROVISIONS OF SECTION 1191(b). ....	4
1. Section 1129(a)(1) of the Code — The Plan Complies with Applicable Provisions of Title 11. ....	5
2. Section 1129(a)(2) of the Code--The Debtor Has Complied with Applicable Provisions of Title 11. ....	8
3. Section 1129(a)(3) of the Code--the Plan is proposed in good faith to maximize creditor dividends. ....	9
4. Section 1129(a)(4) of the Code--All Debtor’s Professional Fees Are Subject to Court Approval. ....	10
5. Section 1129(a)(5) of the Code--Employment of Management Is Disclosed and in the Best Interests of the Estate. ....	11
6. Section 1129(a)(6) of the Code--the Debtor Has No Regulated Rates. ....	12
7. Section 1129(a)(7) of the Code--the Plan Satisfies the Best Interests Test. ....	12
8. Section 1129(a)(8) is Not Applicable. ....	13
9. Section 1129(a)(10) of the Code is Not Applicable. ....	14
10. Section 1129(a)(11) of the Code--the Plan Is Feasible. ....	14
11. Section 1129(a)(12) of the Code--the Debtor Is Current on All Court Costs. ....	16
12. Section 1129(a)(13)-(16) of the Code - Not Applicable. ....	16
<b>III THE PLAN IS FAIR AND EQUITABLE UNDER 11 U.S.C. § 1191(b).....</b>	<b>17</b>
<b>IV.CONCLUSION .....</b>	<b>18</b>

## TABLE OF AUTHORITIES

### CASES

<u>Bonner Mall Partnership v. U.S. Bancorp Mortgage Co. (In re Bonner Mall Partnership)</u> , 2 F.3d 899, 915-916 (9 <sup>th</sup> Cir. 1993), <u>cert. granted</u> , 510 U.S. 1039, <u>vacatur denied and appeal dism'd as moot</u> , 513 U.S. 18 (1994).....	10
<u>Garvin v. Cook Investments NW, SPNWY, LLC</u> , No. 18-35119, 2019 WL 1945280 (9 <sup>th</sup> Cir. May 2, 2019).....	9
<u>In re Acequia, Inc.</u> , 787 F.2d 1352, 1364 (9 <sup>th</sup> Cir. 1986).....	14
<u>In re Agawam Creative Marketing Associates Inc.</u> , 63 B.R. 612, 619 (Bankr. D. Mass. 1986).....	15
<u>In re Apex Oil Co.</u> , 118 B.R. 683, 704-05 (Bankr. E.D. Mo. 1990).....	11
<u>In re Downtown Inv. Club III</u> , 89 B.R. 59, 65 (9 <sup>th</sup> Cir. BAP 1988) .....	8, 9
<u>In re Mayer Pollock Steel Corporation</u> , 174 B.R. 414, (Bankr. E.D. Pa. 1994) .....	15
<u>In re Pike's Pea Water Co.</u> , 779 F.2d 1456, 1460 (10 <sup>th</sup> Cir. 1985).....	15
<u>In re Produce Hawaii, Inc.</u> , 41 B.R. 301, 304 (Bankr. D. Hawaii 1984) .....	11
<u>In re Prudential Energy Co.</u> , 58 B.R. 857, 862-63 (Bankr. S.D. N.Y. 1986).....	15
<u>In re Texaco, Inc.</u> , 84 B.R. 893, 906-7 (Bankr. S.D.N.Y. 1988) .....	8
<u>In re Toy &amp; Sports Warehouse, Inc.</u> , 37 B.R. 141, 149-151 (Bankr. S.D.N.Y. 1984) .....	11
<u>In re U.S. Truck Co., Inc.</u> , 800 F.2d 581, 589 (6 <sup>th</sup> Cir. 1986).....	15
<u>In re Victory Construction Co., Inc.</u> , 42 B.R. 145, 151 (Bankr. C.D. Cal. 1984).....	12
<u>In re Warren</u> , 89 B.R. 87, 91 (9 <sup>th</sup> Cir. BAP 1988) .....	9
<u>Kane v. Johns-Mansville Corp.</u> , 843 F.2d 636, 648-9 (2 <sup>nd</sup> Cir. 1988).....	5
<u>Kane v. Johns-Mansville Corp.</u> , 843 F.2d 636, 649 (2 <sup>nd</sup> Cir. 1988) .....	12
<u>Liberty National Enterprises v. Ambanc La Mesa Limited Partnership (In re Ambanc La Mesa Limited Partnership)</u> , 115 F.3d 650 (9 <sup>th</sup> Cir. 1997) .....	5
<u>Oxford Life Insurance Company v. Tucson Self-Storage, Inc. (In re Tucson Self-Storage Inc.)</u> , 166 B.R. 892 (9 <sup>th</sup> Cir. BAP 1994) .....	5
<u>Pacific First Bank v. Boulders on the River, Inc. (In re Boulders on the River, Inc.)</u> , 164 B.R. 99 (9 <sup>th</sup> Cir. BAP 1994) .....	9

**STATUTES**

§1123 (a)(1).....	6
§507 (a)(1), 507(a)(2) or 507(a)(8) .....	6
11 USC § 1129(a) .....	<i>passim</i>
11 USC § 1191 .....	<i>passim</i>

**OTHER AUTHORITIES**

H.R. Rep. No. 595, 95th Cong., 1st Sess. 412 (1977); S. Rep. No. 989, 95th Cong. 2d Sess. 126 (1978) .....	8
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**RULES**

FRBP 3020(b)(2).....	9
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**TREATISES**

5 <u>Collier on Bankruptcy</u> 1129-2 (15 <sup>th</sup> ed. 1986); H.R. Rep. No. 95-595, 9th Cong., 1st Sess. 412 (1977) .....	4
5 <u>Collier on Bankruptcy</u> , paragraph 1129.02(4) at 1129-28 (15 <sup>th</sup> ed. 1988).....	11
7 <u>Collier on Bankruptcy</u> ¶ 1123.01[6][b] (15 <sup>th</sup> ed. revised 2000).....	6
7 <u>Collier on Bankruptcy</u> , ¶1129.02[11] at 1129-36.11 (15th ed. 1991).....	17

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I.**

**INTRODUCTION**

The Debtor filed its chapter 11 case on November 21, 2018. As set forth in ¶ 8 of Debtor's chapter 11 petition, Debtor stated that Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D) with aggregate noncontingent liquidated debtor less than \$2,556,050. Debtor has proceeded as a small business debtor throughout its case. The Debtor continues to manage the chapter 11 estate as debtor in possession and Debtor's case is in full compliance with all of duties under 11 U.S.C. §§ 521, 1106, and 1107 and all applicable guidelines of the Office of the United States Trustee.

The Debtor is a software developer and publisher primarily for municipalities to track and receive licensing fees and penalties. Debtor is operating in the ordinary course of business post-petition. Debtor has six (6) employees maintaining Debtor's business affairs. Debtor operates out of the La Habra Lease offices.

Debtor suffered entry of a \$977,000 money judgment in the District Court for the Northern District of California in favor of the City of Oakland and a Mr. Stanley. The judgment is solely for attorney's fees and costs awarded upon dismissal of Debtor's affirmative claims. Debtor has appealed both the adverse summary judgment and fee award to the Ninth Circuit Court of Appeals. Debtor filed its chapter 11 petition on November 21, 2018 to maintain its operations and implement a reorganization plan through the chapter 11 process after a stay pending appeal was denied and the judgment creditor began aggressive collection actions.

On July 26, 2019 Debtor filed its first amended chapter 11 plan. *See* ECF # 76. The Court held a confirmation hearing on the Debtor Plan on September 19, 2019. The Debtor Plan was not confirmed at that time and the hearing was continued to November 7, 2019 at 11:00 a.m. for further proceedings. *See* ECF # 117 (September 19, 2019 hearing transcript).

On August 30, 2019 Oakland filed a chapter 11 plan ("Oakland Plan"). *See* ECF # 93. The Oakland Plan was preliminarily considered by the Court at the September 19, 2019 hearing

1 in connection with Oakland's objections to the Debtor Plan. Proceedings related to the Oakland  
2 Plan were continued to November 7, 2019 at 11:00 a.m.

3 The Court ordered that additional papers related to the Debtor Plan and Oakland Plan be  
4 filed not later than October 24, 2019. *See* ECF # 103. On October 1, 2019 Oakland substituted  
5 new counsel into Debtor's case. *See* ECF # 106. On October 17, 2019 Oakland withdrew the  
6 Oakland Plan. *See* ECF # 112.

7 The parties thereafter entered into a stipulation [ECF # 115] to continue the November 7,  
8 2019 hearings to January 9, 2020. The January 9, 2020 hearings were further continued to  
9 February 20, 2020.

10 On August 23, 2019 the Small Business Reorganization Act (H.R. 3311; S. 1091) (the  
11 "SBRA") was signed into law. As set forth in § 5 concerning the effective date of the SBRA,  
12 "This Act and the amendments made by this Act shall take effect 180 days after the date of  
13 enactment of this Act." Thus, the effective date of the SBRA is February 19, 2020. Nothing in  
14 the SBRA precludes application of the SBRA to cases pending as of its effective date or  
15 otherwise limits its application to cases filed after its effective date.

16 Under the SBRA, a debtor in a small business case can elect to become a "Small Business  
17 Debtor" under 11 U.S.C. §§ 101(51D) and 103(i) effective February 19, 2020. Debtor's case is  
18 and has always been a small business case and by a concurrently filed motion, Debtor requests  
19 authority to amend its petition and elect application of Subchapter V of chapter 11 as set forth in  
20 11 U.S.C. §§ 101(51D) and 103(i) as effective February 19, 2020. This motion is contingent on  
21 the relief being granted in the concurrently filed motion to amend the petition to elect  
22 applicability of Subchapter V of chapter 11.

23 Under its Plan proposal, the Debtor will pay priority and administrative claims in full on  
24 or about the March 1, 2020 effective date of the Plan. All remaining general unsecured creditors  
25 shall receive their pro rata share of Debtor's net disposable income over 3 years from the  
26 effective date, estimated to be 17% of their claims.

27 This brief, together with the supporting declarations and requests for judicial notice filed  
28 concurrently or hereafter, shall present a comprehensive analysis of the legal issues before the



1 Court with regard to confirmation of the Debtor's Plan, and provide the legal and evidentiary  
2 basis necessary for the Court to confirm the Plan pursuant to §1191(b) (eff. February 19, 2020) of  
3 the Bankruptcy Code (the "Code").

4 For all these reasons, the Court should confirm the Plan.

5 **II.**

6 **THE ELEMENTS NECESSARY FOR PLAN CONFIRMATION ARE PRESENT AND**

7 **THE COURT SHOULD CONFIRM THE PLAN UNDER 11 U.S.C. § 1191(b)**

8 **A. THE PLAN COMPLIES WITH ALL OF THE PROVISIONS OF SECTION 1191(b).**

9 11 U.S.C. § 1191(b) (eff. February 19, 2020) states as follows:

10 Notwithstanding section 510(a) of this title, if all of the applicable requirements of  
11 section 1129(a) of this title, other than paragraphs (8), (10), and (15) of that  
12 section, are met with respect to a plan, the court, on request of the debtor, shall  
13 confirm the plan notwithstanding the requirements of such paragraphs if the plan  
does not discriminate unfairly, and is fair and equitable, with respect to each class  
of claims or interests that is impaired under, and has not accepted, the plan.

14 11 U.S.C. § 1191(b) (eff. February 19, 2020).

15 Herein, Debtor requests that the Court confirm the Plan under 11 U.S.C. § 1191(b).

16 Consequently, the Court shall confirm the Plan if all requirements of § 1129(a) are met, other  
17 than paragraphs (8), (10), and (15) of that section and the Plan does not otherwise discriminate  
18 unfairly and is fair and equitable to the single impaired class containing all unsecured creditors.

19 For purposes of § 1191(b) (eff. February 19, 2020), a plan is fair and equitable if it  
20 complies with subparagraph (c)(2) as follows:

21 (c) Rule of Construction. - For purposes of this section, the condition that a  
22 plan be fair and equitable with respect to each class of claims or interests includes  
the following requirements:

23 (2) As of the effective date of the plan -

24 (A) the plan provides that all of the projected disposable income of  
the debtor to be received in the 3-year period, or such longer period not to  
25 exceed 5 years as the court may fix, beginning on the date that the first  
payment is due under the plan will be applied to make payments under the  
26 plan; or

27 (B) the value of the property to be distributed under the plan in the  
3-year period, or such longer period not to exceed 5 years as the court may  
28 fix, beginning on the date on which the first distribution is due under the

plan is not less than the projected disposable income of the debtor.

(3)

(A)(i) The debtor will be able to make all payments under the plan; or

(ii) there is a reasonable likelihood that the debtor will be able to make all payments under the plan; and

(B) the plan provides appropriate remedies, which may include the liquidation of nonexempt assets, to protect the holders of claims or interests in the event that the payments are not made.

11 U.S.C. § 1191(c) (eff. February 19, 2020).

As will be shown herein, these requirements are met by the Plan and the Court should confirm the Plan.

**1. Section 1129(a)(1) of the Code — The Plan Complies with Applicable Provisions of Title 11.**

Section 1129(a)(1) of the Code provides that a court may confirm a plan of reorganization only if the plan complies with the applicable provisions of this title. The phrase “applicable provisions” has been interpreted to mean §§ 1122 and 1123 of the Code, which govern the classification of claims and interests and the contents of a plan of reorganization. Kane v. Johnsmansville Corp., 843 F.2d 636, 648-9 (2<sup>nd</sup> Cir. 1988); 5 Collier on Bankruptcy 1129-2 (15<sup>th</sup> ed. 1986); H.R. Rep. No. 95-595, 9th Cong., 1st Sess. 412 (1977).

**1.1 Section 1122 of the Code--The Plan properly classifies Claims and Interests.**

Section 1122 of the Code governs the classification of claims and interests. Section 1122(a) requires that a plan place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. Ninth Circuit cases addressing the classification issue fundamentally conclude that claims which are similar to other claims should be classified together and claims which are not substantially similar should be classified separately. *Compare* Steelcase, Inc. v. Johnston (In re Johnston), 21 F.3d 323 (9th Cir. 1994), *with* Oxford Life Insurance Company v. Tucson Self-Storage, Inc. (In re Tucson Self-Storage Inc.), 166 B.R. 892 (9<sup>th</sup> Cir. BAP 1994). *See also* Liberty National Enterprises v. Ambanc La Mesa Limited Partnership (In re Ambanc La Mesa Limited Partnership), 115 F.3d 650 (9<sup>th</sup> Cir. 1997); Wells Fargo Bank v. Loop 76, LLC (In re Loop, LLC), 465 B.R. 525 (9<sup>th</sup> Cir. BAP 2012) (claims and interests that are not substantially similar should not be placed in the

1 same class).

2 In this case, Article I of the Plan designates three (3) classes of claims and interests:  
3 priority claims, general unsecured claims and interests. Based on the foregoing principles, the  
4 classification of claims and interest is appropriate under the Plan. Under §1123(a)(1), claims of  
5 the kind specified in §§ 507(a)(1), 507(a)(2) or 507(a)(8) are not to be included in any classes.  
6 Accordingly, such claims are left unclassified under the Plan.

7 Based on the foregoing, the Plan complies with the requirements of § 1122 of the Code.

8 **1.2 Section 1123 of the Code--The Plan includes the necessary and permitted**  
9 **components.**

10 **1.2.1 The Plan contains all mandatory provisions--Section 1123(a).**

11 The Plan complies with the seven (7) mandatory provisions of §§1123(a)(1) through (7) of  
12 the Code.

13 1. Section 1123(a)(1) requires that the Plan designate classes of claims and interests.  
14 Article I of the Plan designates the classification of claims and interests in accordance with this  
15 requirement. In further accordance with section 1123(a)(1), administrative claims and priority tax  
16 claims have not been classified, and are excluded from the classes designated in the Plan.

17 2. Section 1123(a)(2) requires that the Plan specify classes of claims and interests  
18 that are not impaired under the Plan. The Plan specifies that all classes of claims and interests are  
19 impaired.

20 3. Section 1123(a)(3) requires that the Plan specify the treatment of any classes of  
21 claims or interests that are impaired by the Plan. The Plan specifies the treatment afforded to  
22 each of the impaired classes of claims under the Plan in accordance with this requirement.

23 4. Section 1123(a)(4) requires that the Plan provide the same treatment for each  
24 claim or interest in a particular class unless the holder of a particular claim or interest agrees to a  
25 less favorable treatment of such claim or interest. Since all members of each class established by  
26 the Plan are treated equally with respect to their respective claims or interests, the Plan clearly  
27 satisfies this requirement.  
28

1           5.       Section 1123(a)(5) requires that the Plan provide adequate means for its  
2 implementation. The means for implementation and execution of the Plan are described in  
3 Exhibit D to the Plan in accordance with this requirement.

4           6.       Section 1123(a)(6) requires that certain provisions be included in the charter of a  
5 corporate debtor. According to the noted treatise on bankruptcy law, Collier on Bankruptcy,  
6 “section 1123(a)(6) prevents the issuance of a class of stock without the possibility of exercising  
7 any vote.” 7 Collier on Bankruptcy ¶ 1123.01[6][b] (15<sup>th</sup> ed. revised 2000). This requirement is  
8 set forth in Exhibit D to the Plan.

9           7.       Section 1123(a)(7) requires that the Plan include only provisions that are  
10 consistent with the interests of creditors and equity security holders and with public policy with  
11 respect to the manner of selection of any officer, director, or trustee under the Plan and any  
12 successor to such officer, director, or trustee. The Plan proposes to continue existing  
13 management which has successfully operated the Debtor’s business throughout the pendency of  
14 the chapter 11 case.

15           1.2.2   **Additional components of the Plan are permissive provisions--Section 1123(b)**  
16 **of the Code.**

17           Section 1123(b) of the Code contains five (5) permissive provisions which may appear in  
18 a plan.

19                   (a) Section 1123(b)(1) of the Code provides that a plan may impair or leave  
20 unimpaired any class of claims, whether secured or unsecured. The Plan describes the  
21 designation and treatment of Classes impaired under the Plan.

22                   (b) Section 1123(b)(2) of the Code specifies that, subject to Section 365, a plan  
23 may provide for the assumption, rejection or assignment of any executory contract or unexpired  
24 lease not previously rejected. The Plan provides for the assumption of the assumption of the La  
25 Habra office lease and otherwise the Debtor has opted to “ride through” all contracts under the  
26 Plan. *See* Plan Exhibit E.

27                   (c) Section 1123(b)(3) of the Code specifies that a plan may provide for “the  
28 settlement or adjustment of any claim or interest belonging to the debtor or to the estate,” and/or

1 “the retention and enforcement by the debtor, by the trustee, or by a representative of the estate  
2 appointed for such purpose, of any such claim or interest.” The Plan does not contemplate post-  
3 confirmation litigation except for the continued prosecution of the Oakland appeals.

4 (d) Section 1123(b)(4) of the Code specifies that a plan may “provide for the sale  
5 of all or substantially all of the property of the estate, and the distribution of the proceeds of such  
6 sale among holders of claims or interests.” The Plan is a plan of reorganization and does not  
7 contemplate asset sales.

8 (e) Section 1123(b)(6) specifies that the Plan may include any other provisions not  
9 inconsistent with the applicable provisions of Title 11. There are no provisions of the Plan  
10 inconsistent with the provisions of Title 11.

11 In light of the foregoing, the Plan satisfies all of the provisions of §§ 1122 and 1123 of the  
12 Code and, therefore, complies with § 1129(a)(1) of the Code.

13 **2. Section 1129(a)(2) of the Code--The Debtor Has Complied with Applicable**  
14 **Provisions of Title 11.**

15 Section 1129(a)(2) of the Code provides that a court may confirm a plan only if “[t]he  
16 proponent of the plan complies with applicable provisions of the title.” The “principal purpose of  
17 11 U.S.C. §1129(a)(2) is to assure that the proponents have complied with the requirements of 11  
18 U.S.C. §1125 in the solicitation of acceptances to the plan.” In re Texaco, Inc., 84 B.R. 893,  
19 906-7 (Bankr. S.D.N.Y. 1988), and with the requirements of Section 1121 and 1127 of the Code.  
20 In re Downtown Inv. Club III, 89 B.R. 59, 65 (9<sup>th</sup> Cir. BAP 1988). H.R. Rep. No. 595, 95th  
21 Cong., 1st Sess. 412 (1977); S. Rep. No. 989, 95th Cong. 2d Sess. 126 (1978) (“Paragraph (2) [of  
22 §1129(a)] requires that the proponent of the plan comply with the applicable provisions of chapter  
23 11, such as section 1125 regarding disclosure”).

24 Here, pursuant to 11 U.S.C. § 1181(b), § 1125 of the Code does not apply to Debtor’s  
25 SBRA case. Debtor is not soliciting votes on its Plan.

26 **2.1 Section 1127 of the Code -- Plan modifications.**

27 Section 1127 of the Code sets forth certain requirements that a plan proponent must  
28 satisfy in order to modify a plan. In re Downtown Inv. Club III, 89 B.R. 59, 65 (9<sup>th</sup> Cir. BAP

1 1988). Generally, material plan modifications require the approval of a new disclosure statement.  
2 Id., at 65.

3 Here, although Debtor's Plan is a modified Plan, § 1125 of the Code does not apply to  
4 Debtor's SBRA case and Debtor is not soliciting votes on its Plan. Moreover, pursuant to 11  
5 U.S.C. § 1181(a), § 1127 does not apply to Debtor's SBRA case.

6 **3. Section 1129(a)(3) of the Code--the Plan is proposed in good faith to maximize**  
7 **creditor dividends.**

8 Section 1129(a)(3) of the Code provides that a court may confirm a plan only if the plan is  
9 proposed "in good faith and not by any means forbidden by law." FRBP 3020(b)(2) provides that  
10 the Court may determine that a plan proponent proposed a plan in good faith and not by any  
11 means forbidden by law, without receiving evidence, if no parties in interest have timely objected  
12 to the plan proponent's good faith. In re Warren, 89 B.R. 87, 91 (9<sup>th</sup> Cir. BAP 1988).

13 As stated by the Bankruptcy Appellate Panel in Pacific First Bank v. Boulders on the  
14 River, Inc. (In re Boulders on the River, Inc.), 164 B.R. 99 (9<sup>th</sup> Cir. BAP 1994), "[b]ad faith exists  
15 if there is no realistic possibility of reorganization and the debtor seeks to merely delay or  
16 frustrate efforts of secured creditors. (citation omitted). The good faith that is required to  
17 confirm a plan of reorganization requires the plan to achieve a result consistent with the  
18 objectives and purposes of the Bankruptcy Code." Id. at 105. In Boulders, the BAP found that a  
19 Plan that modified a matured construction loan into a seven-year term loan was filed in good faith  
20 since the term of the plan was linked to the time the debtor projected to realize property values  
21 sufficient to retire the obligations.

22 The Ninth Circuit recently addressed the good faith standard in Garvin v. Cook  
23 Investments NW, SPNWX, LLC, No. 18-35119, 2019 WL 1945280 (9<sup>th</sup> Cir. May 2, 2019). In  
24 Garvin, the Ninth Circuit held that the phrase "not by any means forbidden by law" modifies the  
25 phrase "[t]he plan has been proposed." Therefore, if a chapter 11 plan is proposed lawfully, then  
26 it meets the good faith requirement of § 1129(a)(3).

27 Here, the Debtor filed its Plan in good faith and has proposed it lawfully. First, the Court  
28 may make such a finding of good faith under FRBP 3020(b)(2) based on the lack of any timely

1 objection to the good faith of the Plan. Second, the Plan is consistent with the goals and  
2 objectives of a Subchapter V of chapter 11 case because it provides that this small business  
3 Debtor shall consensually pay allowed claimants, remain in business and retain employees.

4 The principal purposes of chapter 11 reorganization have been summarized as follows:

5 Chapter 11 has two major objectives 1) to permit successful  
6 rehabilitation of debtors (NLRB v. Bildisco and Bildisco, 465 U.S.  
7 513, 527, 79 L. Ed. 2d 482, 104 S. Ct. 1188 (1984)); and 2) to  
8 maximize the value of the estate (Toibb v. Radloff, 115 L. Ed. 2d  
145, 111 S. Ct. 2197, 2201 (1991)).

9 .....  
10 [W]hile the protection of creditors' interests is an important purpose  
11 under Chapter 11, the Supreme Court has made clear that successful  
12 debtor reorganization and maximization of the value of the estate  
13 are the primary purposes. See Bildisco, 465 U.S. at 527; Toibb v.  
14 Radloff, 111 S. Ct. at 2201. Chapter 11 is designed to avoid  
15 liquidations under Chapter 7, since liquidations may have a  
16 negative impact on jobs, suppliers of the business, and the economy  
as a whole. See United States v. Whiting Pools, Inc., 462 U.S. 198,  
203, 76 L. Ed. 2d 515, 103 S. Ct. 2309 (1983).

14 Bonner Mall Partnership v. U.S. Bancorp Mortgage Co. (In re Bonner Mall Partnership), 2 F.3d  
15 899, 915-916 (9<sup>th</sup> Cir. 1993), *cert. granted*, 510 U.S. 1039, *vacatur denied and appeal dismissed as*  
16 *moot*, 513 U.S. 18 (1994).

17 Debtor's case and Plan fulfill the primary purpose of Subchapter V of chapter 11 and were  
18 filed in good faith. Debtor's good faith Plan is based on the payment of allowed claims over the  
19 term of the plan to the greatest extent possible based on projected disposable income. Thus,  
20 Debtor's Plan is proposed in good faith and the Debtor's case is consistent with the goals and  
21 purposes of chapter 11.

22 Since the Debtor's Plan is proposed in good faith, the Debtor satisfies section 1129(a)(3).

23 **4. Section 1129(a)(4) of the Code--All Debtor's Professional Fees Are Subject to**  
24 **Court Approval.**

25 Section 1129(a)(4) of the Code provides that a court may confirm a plan only if "[a]ny  
26 payment made or to be made by the proponent, by the debtor, or by a person issuing securities or  
27 acquiring property under the plan, for services or for costs in connection with the case, or in  
28 connection with plan and incident to the case, has been approved by, or is subject to the approval

1 of, the Court as reasonable.”

2 Section 1129(a)(4) appears to be directed primarily at monitoring the award and payment  
3 of fees in chapter 11 cases. *See generally* 5 Collier on Bankruptcy, paragraph 1129.02(4) at  
4 1129-28 (15<sup>th</sup> ed. 1988).

5 Any payments made or to be made by the Debtor to professional persons for services or  
6 for costs and expenses in, or in connection with, the chapter 11 case, have been disclosed. The  
7 Plan provides that all such fees shall be approved by the Court. The Debtor will obtain a hearing  
8 date for final fee applications at the confirmation hearing. Accordingly, the Plan fulfills the  
9 requirements of §1129(a)(4).

10 **5. Section 1129(a)(5) of the Code--Employment of Management Is Disclosed and in**  
11 **the Best Interests of the Estate.**

12 (a) Section 1129(a)(5)(A)(i) of the Code provides that a court may confirm a plan  
13 only if the plan proponent discloses “the identity and affiliations of any individual proposed to  
14 serve, after confirmation of the plan, as a director, officer or voting trustee of the debtor. . . or a  
15 successor to the Debtor under the plan.” The Debtor will continue existing management. See,  
16 Exhibit D.

17 (b) Section 1129(a)(5)(A)(ii) of the Code requires that the appointment or  
18 continuance of a director, officer or voting trustee be “consistent with the best interests of  
19 creditors and equity holders and with public policy.” In re Produce Hawaii, Inc., 41 B.R. 301,  
20 304 (Bankr. D. Hawaii 1984); In re Parks Lumber Co., Inc., 19 B.R. 285, 291 (Bankr. W.D. La.  
21 1982). In re Apex Oil Co., 118 B.R. 683, 704-05 (Bankr. E.D. Mo. 1990) (satisfied where  
22 debtors as well as creditors’ committee believe control of entity by proposed individuals will be  
23 beneficial); In re Toy & Sports Warehouse, Inc., 37 B.R. 141, 149-151 (Bankr. S.D.N.Y. 1984)  
24 (continuation of debtors’ president and founder, who had many years of experience in the  
25 debtors’ business, satisfied §1129(a)(5), and enhanced feasibility of plan). Continuing existing  
26 management is in the best interests of creditors, equity holders and public policy because existing  
27 management is most familiar with the requirements necessary to profitably operate PSI’s  
28 business. Such management has shown consistent post-petition success in managing Debtor’s



1 affairs, which is the best evidence that existing management should be retained.

2 Based upon the foregoing, the Plan complies with the requirements set forth in  
3 §1129(a)(5) of the Code.

4 **6. Section 1129(a)(6) of the Code--the Debtor Has No Regulated Rates.**

5 Section 1129(a)(6) of the Code requires that after confirmation of a plan, any  
6 governmental regulatory commission with jurisdiction “over the rates of the debtor has approved  
7 any rate charge provided for in the plan. . .” This Section is inapplicable to the Plan because  
8 Debtor is not subject to any governmental regulatory commission regarding rates, nor has the  
9 Debtor provided for any rate changes in the Plan.

10 **7. Section 1129(a)(7) of the Code--the Plan Satisfies the Best Interests Test.**

11 Section 1129(a)(7) of the Code provides that a court may confirm a plan only if the plan  
12 meets the “best interests of creditors” test. Under the “best interests of creditors” test, each holder  
13 of a claim or interest in an impaired class must either accept the plan or the plan must provide for  
14 a distribution to each holder of a claim or interest of “property of a value, as of the effective date  
15 of the plan, **that is not less than** the amount such holder would receive or retain if the debtor  
16 were liquidated under Chapter 7 of the Bankruptcy Code.” (emphasis added). *See, Kane v.*  
17 *Johns-Mansville Corp.*, 843 F.2d 636, 649 (2<sup>nd</sup> Cir. 1988); *In re Pikes Peak Water Co.*, 779 F.2d  
18 1456, 1460 (10th Cir. 1985); *and In re Victory Construction Co., Inc.*, 42 B.R. 145, 151 (Bankr.  
19 C.D. Cal. 1984).

20 Herein, the best interest test is implicated with regard to the impaired general unsecured  
21 creditor class. Here, the Plan proposes to pay general unsecured creditors 17% of their claims,  
22 more than exceeding the best interests of creditors test and the projected 14% such creditors  
23 would receive in liquidation. *See*, Plan Exhibits C and D; *see also* Vodhanel Declaration attached  
24 hereto. For these reasons, the Plan exceeds the best interests of creditors test.

25 The Plan treatments prove that the best interests test is satisfied with respect to all classes  
26 to which it is applicable. The requirements of § 1129(a)(7) are satisfied with respect to the Plan.

1           **8. Section 1129(a)(8) is Not Applicable.**

2           Section 1129(a)(8) of the Code is not applicable to the Plan pursuant to 11 U.S.C. §  
3   1191(b) (eff. February 19, 2020).

4           **Section 1129(a)(9) of the Code--the Plan Treats all Priority Claims Properly.**

5           Section 1129(a)(9) of the Code provides that a court may confirm a plan only if the plan  
6   complies with the following, subject to “special rule” of 11 U.S.C. § 1191(e) (eff. February 19,  
7   2020):

8                       (9) Except to the extent that the holder of a particular claim  
9                       has agreed to a different treatment of such claim, the plan provides  
                      that—

10                      (A) with respect to a claim of a kind specified in section  
11                      507 (a)(2) or 507 (a)(3) of this title, on the effective date of the  
                      plan, the holder of such claim will receive on account of such  
12                      claim cash equal to the allowed amount of such claim;

13                      (B) with respect to a class of claims of a kind specified in  
                      section 507 (a)(1), 507 (a)(4), 507 (a)(5), 507 (a)(6), or 507 (a)(7)  
14                      of this title, each holder of a claim of such class will receive—

15                      (i) if such class has accepted the plan, deferred cash  
                      payments of a value, as of the effective date of the plan, equal to  
16                      the allowed amount of such claim; or

17                      (ii) if such class has not accepted the plan, cash on the  
                      effective date of the plan equal to the allowed amount of such  
18                      claim;

19                      (C) with respect to a claim of a kind specified in section  
20                      507 (a)(8) of this title, the holder of such claim will receive on  
                      account of such claim regular installment payments in cash—

21                      (i) of a total value, as of the effective date of the plan, equal  
22                      to the allowed amount of such claim;

23                      (ii) over a period ending not later than 5 years after the date  
                      of the order for relief under section 301, 302, or 303; and

24                      (iii) in a manner not less favorable than the most favored  
25                      nonpriority unsecured claim provided for by the plan (other than  
26                      cash payments made to a class of creditors under section 1122 (b));  
27                      and

28                      (D) with respect to a secured claim which would otherwise  
                      meet the description of an unsecured claim of a governmental unit  
                      under section 507 (a)(8), but for the secured status of that claim,  
                      the holder of that claim will receive on account of that claim, cash  
                      payments, in the same manner and over the same period, as  
                      prescribed in subparagraph (C).

1 (a) As set forth in the Plan, each holder of an Allowed Administrative Claim,  
2 except to the extent that the holder of such Claim agrees to different treatment, will receive cash  
3 equal to the allowed amount of such Allowed Administrative Claim on the date such Claim  
4 becomes an Allowed Administrative Claim pursuant to a final order, or as soon as practicable  
5 thereafter.

6 (b) Priority wage or benefit claims entitled to priority under §§507(a)(3) of the  
7 Code are also be provided for under the Plan, although the Debtor has no such claims.

8 (c) As set forth in the Plan, each holder of an Allowed Tax Claim (that is, claims  
9 entitled to priority under §507(a)(8)) will receive payment pursuant to the terms of section  
10 1129(a)(9)(c) of the Bankruptcy Code by payment in full on the Effective Date. Based upon the  
11 foregoing, the Plan satisfies the requirements of §1129(a)(9) of the Code.

12 **9. Section 1129(a)(10) of the Code is Not Applicable.**

13 Section 1129(a)(10) of the Code is not applicable to the Plan pursuant to 11 U.S.C. §  
14 1191(b) (eff. February 19, 2020).

15 **10. Section 1129(a)(11) of the Code--the Plan Is Feasible.**

16 Section 1129(a)(11) of the Code provides that a court may confirm a plan only if

17 [c]onfirmation of the plan is not likely to be followed by the  
18 liquidation, or the need for further financial reorganization, of the  
19 debtor or any successor to the debtor under the plan, unless such  
liquidation or reorganization is proposed in the plan.

20 The legislative history establishes that “[p]aragraph 11 requires a determination regarding  
21 the feasibility of the plan. It is a slight elaboration of the law that has developed in the  
22 application of the word ‘feasible,’ in Chapter X of the Act.” S. Rep. No. 95-989, 95th Cong., 2<sup>nd</sup>  
23 Sess. 128 (1978). It must be emphasized, as the case law interpreting Chapter X of the former  
24 Bankruptcy Act established, that the “feasibility” standard of section 1129(a)(11) does not require  
25 the Debtor to prove future success of the Plan with mathematical certainty. Rather, the Debtor  
26 needs to establish only that the Plan has a “reasonable probability of success.”

27 In order to meet this feasibility standard, a debtor need only demonstrate that the plan has  
28 a “**reasonable probability of success.**” In re Acequia, Inc., 787 F.2d 1352, 1364 (9<sup>th</sup> Cir. 1986);

1 (“a reasonable probability of success” constitutes feasibility); In re Pike’s Pea Water Co., 779  
2 F.2d 1456, 1460 (10<sup>th</sup> Cir. 1985) (plan that “offers a reasonable prospect of success and is  
3 workable” is feasible); In re Mayer Pollock Steel Corporation, 174 B.R. 414, (Bankr. E.D. Pa.  
4 1994) (feasibility requirement has low threshold and is a non-stringent standard). Since Plan  
5 success depends in large part on future events, Collier on Bankruptcy explains that:

6 feasibility involves the question of the emergence of the  
7 reorganized debtor in a solvent condition with reasonable prospects  
8 of financial stability and success. **It is not necessary that success**  
9 **be guaranteed**, but only that the Plan present a workable scheme  
of organization and operation for which there may be a reasonable  
expectation of success.

10 Collier on Bankruptcy, ¶1129.02[11] at 1129-36.11 (15th ed. 1991) (emphasis added).

11 As stated in In re Agawam Creative Marketing Associates Inc., 63 B.R. 612, 619 (Bankr.  
12 D. Mass. 1986):

13 The purpose of Section 1129(a)(11) is manifold:

- 14 1) to prevent confirmation of visionary schemes which promise  
creditors and equity security holders more under a proposed plan  
15 than the debtor can possibly attain after confirmation;  
16 2) to prevent an abuse of the reorganization process by the  
confirmation of a plan of a debtor likely to return to bankruptcy;  
17 and  
18 3) to promote the willingness of those who deal with  
post-confirmation debtors to extend the credit that such companies  
frequently need.

19 Factors to be considered when assessing the feasibility of a plan include: (a) the  
20 soundness and adequacy of the capital structure of the post-confirmation debtor; (b) current and  
21 projected economic market conditions; (c) the ability of the postconfirmation debtor’s  
22 management; (d) the probability of continuation of the same management; and (e) any other  
23 related matters which determine the prospects of a sufficiently successful operation to enable  
24 performance of the provisions of the plan. *See, In re U.S. Truck Co., Inc.*, 800 F.2d 581, 589 (6<sup>th</sup>  
25 Cir. 1986); In re Prudential Energy Co., 58 B.R. 857, 862-63 (Bankr. S.D. N.Y. 1986).

26 In this case, the Plan satisfies the requirements of § 1129(a)(11) of the Code and the  
27 standards set forth in the cases cited above. The exhibits to the Plan contain the financial analysis  
28

1 and detailed business plan establishing Plan feasibility, consisting of the following:

2 Exhibit A: Historical financial statements.

3 Exhibit C: Projections of disposable income for the three (3) year term of the Plan.

4 The Vodhanel Declaration attached hereto addresses the soundness and adequacy of the  
5 Debtor's post-confirmation capital structure; (b) current and projected economic market  
6 conditions; (c) the ability of postconfirmation management; (d) the probability of continuation of  
7 the same management; and (e) any other related matters which determine the prospects of a  
8 sufficiently successful operation to enable performance of the provisions of the plan. As the  
9 attached declaration establishes, the Plan is feasible.

10 Based upon the foregoing and the contents of the Plan, the Debtor has demonstrated the  
11 reasonable probability of success of the Plan satisfying the requirements of §1129(a)(11) of the  
12 Code.

13 **11. Section 1129(a)(12) of the Code--the Debtor Is Current on All Court Costs.**

14 Section 1129(a)(12) of the Code provides that a court may confirm a plan only if "[a]ll  
15 fees payable under Section 1930, as determined by the court at the hearing on confirmation of the  
16 plan, have been paid or the plan provides for the payment of all such fees on the effective date of  
17 the plan." The Debtor will remain in compliance with all of the fee requirements set forth in  
18 Section 1930 of the Bankruptcy Code prior to and after the Confirmation Hearing. Should any  
19 additional fees become due, the Debtor will pay any such fees prior to or contemporaneously with  
20 lodging the confirmation order. Any additional fees constitute Administrative Claims and  
21 pursuant to the Plan, will be paid in full on the Effective Date.

22 **12. Section 1129(a)(13)-(16) of the Code - Not Applicable.**

23 Section 1129(a)(13) (retiree benefits); (a)(14) (domestic support obligations); (a)(15)  
24 (individual debtor disposable income requirements) and (a)(16) (transfers by non-profit  
25 corporations or trusts) are not applicable.  
26  
27  
28

III.

**THE PLAN IS FAIR AND EQUITABLE UNDER 11 U.S.C. § 1191(b)**

Section 1191(b) of the Code (eff. February 19, 2020) requires that a plan be fair and equitable in compliance with the requirements of subparagraph (c)(2) as follows:

(c) Rule of Construction. - For purposes of this section, the condition that a plan be fair and equitable with respect to each class of claims or interests includes the following requirements:

(2) As of the effective date of the plan -

(A) the plan provides that all of the projected disposable income of the debtor to be received in the 3-year period, or such longer period not to exceed 5 years as the court may fix, beginning on the date that the first payment is due under the plan will be applied to make payments under the plan; or

(B) the value of the property to be distributed under the plan in the 3-year period, or such longer period not to exceed 5 years as the court may fix, beginning on the date on which the first distribution is due under the plan is not less than the projected disposable income of the debtor.

(3)

(A)(i) The debtor will be able to make all payments under the plan; or

(ii) there is a reasonable likelihood that the debtor will be able to make all payments under the plan; and

(B) the plan provides appropriate remedies, which may include the liquidation of nonexempt assets, to protect the holders of claims or interests in the event that the payments are not made.

11 U.S.C. § 1191(c) (eff. February 19, 2020).

Here, the Plan complies with § 1191(c)(2) of the Code because the Plan provides that all of the projected disposable income of the debtor to be received in the 3-year period beginning on the date that the first payment is due under the Plan will be applied to make payments under the plan. Projected disposable income is defined in § 1191(d)(2) as: “the income that is received by the debtor and that is not reasonably necessary to be expended [...] for the payment of expenditures necessary for the continuation, preservation, or operation of the business of the debtor.”

Attached hereto as Exhibit C is Debtor’s projected disposable income over the three year period beginning on the date that the first payment is due under the Plan will be applied to make payments under the plan. The Exhibit C projections reflect the income that is to be received by

1 the debtor and that is not reasonably necessary to be expended for the payment of expenditures  
2 necessary for the continuation, preservation, or operation of the business of the debtor. As set  
3 forth in Exhibit C, Debtor projects \$204,666.28 in projected disposable income. As set forth in  
4 Debtor's Exhibit D proposed plan payments, Debtor proposes to pay this amount to creditors over  
5 the three year period following confirmation. Thus, the Plan is fair and equitable to general  
6 unsecured creditors.

7 Debtor addresses the feasibility requirements of § 1191(d)(3) in its briefing regard §  
8 1129(a)(11) above and the means for effectuating the Plan in Exhibit D provides appropriate  
9 remedies, which includes the liquidation of nonexempt assets, to protect the holders of claims or  
10 interests in the event that the payments are not made.

11 For these reasons, the Plan complies § 1191(b) and (c) of the Code and should be  
12 confirmed.

13 **IV.**

14 **CONCLUSION**

15 Based upon the foregoing, the Debtor respectfully submits that the Plan is confirmable  
16 under §1191(b) of the Code. The Debtor respectfully requests that the Court confirm the Plan.

17 Dated: January 30, 2020

**Lewis R. Landau**  
**Attorney at Law**

18  
19 By: /s/ Lewis R. Landau  
20 Lewis R. Landau  
21 Attorney for the Debtor  
22  
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**DECLARATION OF GLENN VODHANEL**

I, Glenn Vodhanel, hereby declare and state as follows:

1. I am the President and Chief Executive Officer of Progressive Solutions, Inc., the debtor and debtor in possession in this bankruptcy case ("PSI" or "Debtor"). I am also a member of the board of directors of the Debtor and, along with my substantially owned company Paragon Communications, LLC ("Paragon") its sole shareholders. Unless otherwise stated, I have personal knowledge of the facts set forth in this declaration, except as to those facts stated upon information and belief, and as to those facts, I believe them to be true. If called as a witness to testify herein, I could and would competently testify to the following.

2. I am executing this declaration in connection with Debtor's motion to confirm Debtor's Plan of Reorganization for Small Business Under Chapter 11 [ECF # 144] ("Plan") pursuant to 11 U.S.C. § 1191(b).

3. I have reviewed the Debtor's Plan and verify and confirm that the statements contained therein are true and correct to the best of my knowledge and belief. The following Plan exhibits were prepared by me or at my direction and with my full review and I verify the accuracy and truthfulness thereof and incorporate them herein by reference:

Exhibit A: Historical financial statements.

Exhibit B: Liquidation analysis.

Exhibit C: 3-Year projection of disposable income.

Exhibit D: Proposed Plan Payments.

**CONFIRMATION STANDARDS**

4. 11 U.S.C. § 1129(a)(1): I believe the Plan complies with the applicable provisions of title 11 based on advice of general bankruptcy counsel. I am not aware of any non-compliance with applicable title 11 provisions.

5. 11 U.S.C. § 1129(a)(2): I believe that PSI has complied with the applicable provisions of title 11 based on advice of general bankruptcy counsel. I am not aware of any non-compliance with applicable title 11 provisions.

6. 11 U.S.C. § 1129(a)(3): The Plan has been proposed in good faith and not by any



1 means forbidden by law. Debtor's Plan is consistent with all policies and goals of the chapter 11  
2 process as explained to me, including permitting the successful rehabilitation of debtors,  
3 maximizing value of the estate and avoiding liquidation which has a directly negative impact on  
4 jobs, suppliers of the business, and the economy as a whole. Confirmation of the Plan will permit  
5 the Debtor to pay claims and allow PSI to remain in business.

6 **7.** 11 U.S.C. § 1129(a)(4): Any payment to be made by Debtor for services for costs and  
7 expense in connection with the case is subject to approval of the court as reasonable.

8 **8.** 11 U.S.C. § 1129(a)(5): The identity and affiliations of any individual proposed to  
9 serve, after confirmation of the plan, as a director or officer of PSI is disclosed in the Plan.

10 **9.** 11 U.S.C. § 1129(a)(6): Debtor has no government controlled rates.

11 **10.** 11 U.S.C. § 1129(a)(7): I believe the best interests of creditors test is satisfied because  
12 the 17% distribution proposed in the Plan exceeds the 14% distribution projected in liquidation.  
13 Attached to the Plan as Exhibit C is a liquidation analysis I prepared as of a March 1, 2020  
14 liquidation date. On that date, Debtor will have total assets of \$549,852.59. Offsetting this  
15 amount is \$40,000 in anticipated administrative expenses, and \$58,985.26 in anticipated chapter 7  
16 liquidation costs. After deducting \$23,250.90 for priority claims, \$427,616.43 remains for  
17 general unsecured claims. However, liquidation will accrue substantial administrative expenses  
18 from the failure to provide contracted services in connection with post-petition revenues, as well  
19 as a landlord rejection claim. These revenues were collected, however, in the ordinary course of  
20 business for services billed in advance for services to be delivered throughout the contract year.  
21 The increase in cash does not change the Debtor's previous liquidation analysis because the cash  
22 is offset by an equivalent amount of administrative expense liability, estimated to be at least  
23 \$258,097, to provide the annual contract services if the services are not provided. The liquidation  
24 analysis also omits a landlord lease rejection claim that will accrue for in excess of \$30,000 in the  
25 event of liquidation.

26 **11.** 11 U.S.C. § 1129(a)(9): All priority claims are satisfied in accordance with section  
27 1129(a)(9).

28 **12.** 11 U.S.C. § 1129(a)(11): I believe the Plan is feasible. The cash flow projections

1 attached as Plan Exhibit C accurately reflected the projected disposable income for the three years  
2 period after confirmation of the Plan. I have reviewed and am familiar with these projections and  
3 verify their accuracy. Such projections are reasonable and feasible and constitute a likely forecast  
4 of the results of operations based on historical performance to date, with assumptions as set forth  
5 therein. I know of no undisclosed condition or circumstance that would cause PSI to not receive  
6 at least the revenues projected in Plan Exhibit C and believe that expenses can be held to the  
7 amounts set forth therein. In addition, the Debtor has capital reserves in the form of precious  
8 metals that can be liquidated to protect against an unexpected business event to support Plan  
9 feasibility.

10 Based on my experience with the Debtor and its business I believe the Debtor's post-  
11 confirmation capital structure will feasibly support completing the Plan. I believe that current and  
12 projected economic market conditions support completing the Plan. I have the ability to  
13 profitably continue the Debtor's business operations in accordance with the projections and  
14 commit to continue in management during the term of the Plan. For all these reasons, I believe  
15 the Plan can be feasibly performed over its term.

16 **13.** 11 U.S.C. § 1129(a)(12): All Court and United States Trustee fees are paid to date and  
17 are current.

18 **14.** 11 U.S.C. § 1129(a)(13): Debtor has no retiree contribution continuing requirements.

19 **15.** 11 U.S.C. § 1129(a)(14): Debtor has no domestic support obligations.

20 **16.** 11 U.S.C. § 1129(a)(16): No transfers of property are contemplated by the Plan.

21 **17.** 11 U.S.C. § 1191(b): The Plan complies with § 1191(c)(2) of the Code because the  
22 Plan provides that all of the projected disposable income of the debtor to be received in the 3-year  
23 period beginning on the date that the first payment is due under the Plan will be applied to make  
24 payments under the Plan. I understand that projected disposable income is defined in §  
25 1191(d)(2) as: "the income that is received by the debtor and that is not reasonably necessary to  
26 be expended [...] for the payment of expenditures necessary for the continuation, preservation, or  
27 operation of the business of the debtor." Attached to the Plan as Exhibit C is Debtor's projected  
28 disposable income over the three year period beginning on the date that the first payment is due

1 under the Plan will be applied to make payments under the plan. The Exhibit C projections  
2 reflect the income that is to be received by the debtor and that is not reasonably necessary to be  
3 expended for the payment of expenditures necessary for the continuation, preservation, or  
4 operation of the business of the debtor. As set forth in Exhibit C, Debtor projects \$204,666.28 in  
5 projected disposable income. As set forth in Debtor's Exhibit D proposed plan payments, Debtor  
6 proposes to pay this amount to creditors over the three year period following confirmation. Thus,  
7 I believe the Plan is fair and equitable to general unsecured creditors. The Plan in Exhibit D  
8 provides appropriate remedies, which includes the liquidation of nonexempt assets, to protect the  
9 holders of claims or interests in the event that the payments are not made. Based on all the  
10 foregoing, I am informed and believe that the Plan complies with the requirements for  
11 confirmation under section 1191(b) of the Bankruptcy Code.

12 **18.** PSI has worked to meet client needs and to continue their service uninterrupted. PSI  
13 has served numerous municipalizes for over 40 years.

14 **19.** This is effectively a family business. Three (3) employees have worked for the  
15 company almost 20 years. Despite customers having a perpetual license per contract as a result of  
16 the bankruptcy, most clients renewed their annual service. This demonstrates that our customers  
17 require expert service and support.

18 **20.** PSI filed its chapter 11 case in order to survive in our niche government market.

19 **21.** Per the terms of most client agreements, upon PSI's filing of bankruptcy, most of our  
20 clients are entitled to a perpetual license.

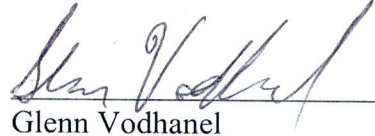
21 **22.** There are typically errors that occur in the course of using software. Many are user  
22 errors for which they desire assistance. While customers may be able to use the software, without  
23 the knowledgeable PSI team, it will be impossible for them to address any errors and to tailor the  
24 software for their unique needs.

25 **23.** Were customer services to cease mid-contract, over 50 additional creditors would have  
26 claims against the company for non-performance. If the support services ceased as of March 1,  
27 2020, 4 months would remain on the PSI service agreement. Thus our clients would be entitled to  
28 25% of the maintenance amount they paid for in advance or approximately \$258,097.

1           **24.** Absent the institutional knowledge of the PSI team, the company would be forced to  
2 promptly liquidate as customers would promptly move to other software and file claims for non-  
3 performance.

4           I declare under penalty of perjury under the laws of the United States of America that the  
5 foregoing is true and correct.

6           Executed this 30<sup>th</sup> day of January 2020 at Orange County, California.

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Glenn Vodhanel

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
22287 Mulholland Hwy., # 318 Calabasas, CA 91302

A true and correct copy of the foregoing document entitled: **NOTICE OF MOTION FOR** (*specify name of motion*)  
**MOTION TO CONFIRM PLAN UNDER 11 U.S.C. § 1191(b); DECLARATION IN SUPPORT**

**RE SUBCHAPTER V ELECTION AND EXTENSION OF PLAN DEADLINE; REQUEST FOR JUDICIAL NOTICE**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 01/30/2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) 01/30/2020, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Judge Clarkson, US Bankruptcy Court, 411 W. Fourth Street Suite 5130 Santa Ana, CA 92701

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

01/30/2020  
Date

Lewis R. Landau  
Printed Name

/s/ Lewis R. Landau  
Signature

In re: Progressive Solutions, Inc.,

Main Document Page 30 of 31

CHAPTER: 11

Debtor(s).

CASE NUMBER: 8:18-bk-14277 SC

**ADDITIONAL SERVICE INFORMATION (if needed):**

NEF Service List (category I):

Dina Yunker Frank on behalf of Creditor Washington State Taxing Agencies  
bcuyunker@atg.wa.gov, bcuyunker@atg.wa.gov

Michael J Hauser on behalf of U.S. Trustee United States Trustee (SA)  
michael.hauser@usdoj.gov

M. Jonathan Hayes on behalf of Interested Party Courtesy NEF  
jhayes@rhmfir.com, roksana@rhmfir.com; matt@rhmfir.com; janita@rhmfir.com; susie@rhmfir.com;  
priscilla@rhmfir.com; pardis@rhmfir.com; russ@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com;  
sloan@rhmfir.com

Christopher D Hughes on behalf of Attorney Christopher D Hughes  
chughes@nossaman.com

Christopher D Hughes on behalf of Defendant City of Oakland  
chughes@nossaman.com

Monique D Jewett-Brewster on behalf of Creditor The City of Oakland  
mjb@hopkinscarley.com, eamaro@hopkinscarley.com

Lewis R Landau on behalf of Debtor Progressive Solutions, Inc.  
Lew@Landaunet.com

Lewis R Landau on behalf of Plaintiff Progressive Solutions, Inc.  
Lew@Landaunet.com

Jay M Ross on behalf of Creditor The City of Oakland  
jross@hopkinscarley.com, kday@hopkinscarley.com

United States Trustee (SA)  
ustpregion16.sa.ecf@usdoj.gov

County of Orange  
Attn: Treasurer-Tax Collector  
P.O. Box 4515  
Santa Ana, CA 92702-4515

Employment Development Department  
Bankruptcy Group MIC 92E  
P. O. Box 826880  
Sacramento, CA 94280-0001

Franchise Tax Board  
Attention: Bankruptcy  
PO Box 2952  
Sacramento, CA 95812-2952

Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

Law Offices of Sheryl Traum  
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Spokane WA 99203-3463

Monroe Consulting  
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Laguna Hills, CA 92653-1236

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496 S. Uruapan Way  
Dinuba, CA 93618-2719

Winthrop Couchot  
Garrick Hollander  
1301 Dove St., #500  
Newport Beach, CA 92660-2467

Berkeley Research Group, LLC  
Weltman Weinberg & Reis Co., L.P.A.  
3705 Marlane Drive  
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Chris Retzinger  
8400 Samra Dr  
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Robert Wiborg,  
Devborg, LLC  
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La Habra, CA 90631